



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 3rd day of August, 2022

In the Matter of the

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PROGRAM**

DOCKET DOT-OST-2022-0003

under 49 U.S.C. § 41743 *et seq.*

ORDER AWARDING GRANTS

Summary

By this Order, the U.S. Department of Transportation (the Department) awards 25 grants under the Small Community Air Service Development Program (“Small Community Program” or “SCASDP”) benefitting communities in 20 States to assist with the implementation of the air service initiatives proposed in their grant applications. The communities, the amount of funding awarded to the communities, and brief descriptions of the projects are listed in the Appendix to this Order. Award recipients must affirm their grant awards by entering into grant agreements with the Department obligating the funds. Award recipients may not seek to be reimbursed funds under the Small Community Program until they affirm their grant awards.

Background

The Small Community Program was established by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Pub. L. No. 106-181), reauthorized by the Vision 100-Century of Aviation Reauthorization Act (Pub. L. No. 108-176), and subsequently reauthorized by the FAA Modernization and Reform Act of 2012 (Pub. L. No. 112-95), as amended, the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Pub. L. No. 115-63), and the FAA Reauthorization Act of 2018 (Pub. L. No. 115-254) (FAA 2018). Authorization for this program is codified at 49 U.S.C. § 41743.

The Small Community Program is authorized to receive appropriations under 49 U.S.C. § 41743(e)(2). Appropriations are provided for this program for award selection in Fiscal Year (FY) 2021 pursuant to the Consolidated Appropriations Act, 2020 (Pub. L. No. 116-94), and the

Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260). Additional monies for this award selection are provided from FAA recovery funding resulting from the de-obligation of closed SCASDP grants.

When selecting applicants to participate in the Small Community Program, the Department is statutorily¹ required to apply the following criteria for participation:

1. The airport serving the community or consortium is not larger than a small hub airport, as determined using the Department of Transportation's most recently published classification effective on the date that the community or consortium submits an application;
2. The airport has insufficient air carrier service or unreasonably high air fares;
3. The airport presents characteristics, such as geographic diversity or unique circumstances, that demonstrate the need for, and feasibility of, the Small Community Program;
4. An applicant may not receive an additional grant to support the same project more than once in a 10-year period, except in certain circumstances;² and
5. An applicant may not receive an additional grant prior to the completion of its previous grant.³

The statute further provides that no more than four communities or consortia of communities, or a combination thereof, from the same State may be selected to participate in the program in any fiscal year, and no more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which the funds are appropriated.

In addition, the statute directs the Department to give priority to those communities or consortia of communities⁴ where: (a) air fares are higher than the average air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local sources other than airport revenues; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public;⁵ (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including business, educational institutions, and other enterprises whose access to the national air transportation system is limited;⁶ (e) the assistance will be used to help restore scheduled passenger air service that has been terminated;⁷ (f) the funds will be used in a timely manner;⁸ and (g) multiple communities cooperate to submit a regional or multistate application to

¹ 49 U.S.C. § 41743(c).

² As provided under 49 U.S.C. § 41743(c)(4)(C), the Department may waive the same project limitation.

³ 49 U.S.C. § 41743(c)(1)-(4).

⁴ A consortium of communities is considered a single entity for purposes of SCASDP. 49 U.S.C. § 41743.

⁵ 49 U.S.C. § 41743(c)(5)(C).

⁶ 49 U.S.C. § 41743(c)(5)(D).

⁷ 49 U.S.C. § 41743(c)(5)(E).

⁸ 49 U.S.C. § 41743(c)(5)(F).

consolidate air service into one regional airport.⁹

The Department is authorized to award grants to communities that seek to provide assistance to:

- An air carrier to subsidize service to and from an underserved airport for a period not to exceed three years;
- An underserved airport to obtain service to and from the underserved airport;
- An underserved airport to implement such other measures to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.¹⁰

On January 12, 2022, the Department issued Order 2022-1-8 in this Docket, soliciting grant proposals from communities interested in receiving grant funding for FY 2021.

Order 2022-1-8 will be referred to as the “Solicitation Order” in the context of this proceeding.

The Solicitation Order required each applicant to submit a completed Standard Form 424 and a Summary Information schedule to www.grants.gov. Communities were requested to provide information that would help in the consideration of their grant requests, including details about their existing air services, historical air services, current air service needs and deficiencies, a full description of the community’s proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations.

Drawing on the Department’s experience from previous years, the Solicitation Order discussed various issues relating to project types and the grant application process, including the sources of local funding, the consideration of in-kind contribution, the use of grant funds, and the eligibility to participate by past grant recipients. The Solicitation Order further emphasized that communities would be expected to meet the financial-contribution commitments that they include in their proposals.

Grant Applications

In response to the Solicitation Order, the Department received grant applications from 48 communities in 29 States and one U.S Territory.¹¹ Collectively, these communities sought more than \$33 million in Federal assistance to support new and ongoing air service development

⁹ 49 U.S.C. § 41743(c)(5)(G).

¹⁰ 49 U.S.C. § 41743(d).

¹¹ Three applicants ((1) the Town of Islip, NY, Long Island MacArthur Airport; (2) Lakeland Linder International Airport and the City of Lakeland, FL; and (3) Salem Municipal Airport and the City of Salem, OR) filed Motions under 14 CFR § 302.12 (Rule 12) of the Department’s Regulations requesting confidential treatment of certain documents included in their applications. The Department has granted these Motions, and we have placed copies of our decisions in this Docket.

projects. Three of the 48 applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible for consideration.

As in previous years, this year's eligible applications included proposals for feasibility studies, new or expanded service initiatives, marketing, and assorted combinations thereof. These applicants provided information on historical and current air service and air fare issues facing their communities, the economic benefits of air service, proposed initiatives to remedy air service or air fare problems, and arguments in support of their proposals. Nearly all the communities pledged local cash and/or in-kind contributions from local, State, airport, or private sources to complement their requests for Federal assistance.

The large majority of applicants specified the need to attract new and/or additional air services to their communities. Similar to previous years, a majority of applicants also proposed to implement their projects using revenue guarantees together with a variety of marketing and promotional initiatives. A critical component of most proposals was funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of local airport services. These efforts are directed at publicizing not only the availability of air services, but also the convenience of using the local airport compared to more congested air service hubs or other larger airports in the region. Almost all applicants cited reductions and/or suspensions of service due to the coronavirus pandemic, arguing that this factor, in particular, combined with ongoing industry issues they have been facing, prompted the need for Federal assistance in order to help communities in these unique circumstances.

Grant Awards

The Small Community Program is unique in that it encourages and affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities the opportunity to develop and implement air service projects tailored to their individual needs, the program aims to maximize the potential for success in the communities' endeavors. Since the program's inception, the Department has sought to maximize the number of participating communities, promote geographic diversity of the selections, and support a variety of solutions to the problems identified by applicants in order to provide a wide range of approaches for dealing with the challenges faced by similarly-situated communities.

With these considerations in mind, we are selecting 25 grant proposals with the objective of entering into grant agreements with the communities identified in the Appendix to this Order. Award recipients must enter into grant agreements with the Department before the recipients may seek to be reimbursed expenses under their Small Community Program projects. In addition, grant recipients are subject to all grant conditions and assurances required by Federal law, regulations, and executive orders.¹² The Department's grant agreements will be transmitted to the selected communities subsequent to the issuance of this Order.¹³

¹² See <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP> for applicable conditions and assurances.

¹³ As in previous years, the Department's staff will, at the request of any non-selected applicant community, conduct a debriefing with representatives of that community to review and provide feedback on its application in

The proposals selected meet the purpose of the statute and provide opportunities to test a variety of approaches to improving small community air service in many regions of the country. The attached Appendix provides a brief description of each project and the amount of funding each community requested. As an overview, all of the awards are being made to communities proposing revenue guarantees or marketing, or revenue guarantees with marketing, as a means to attract new service, to support existing service, or to restore lost service.

The selected communities are: Gulf Shores, AL; Montgomery, AL; Bentonville, AR; Fort Smith, AR; Arcata, CA; Eagle County, CO; Tweed-New Haven, CT; Daytona Beach, FL; Champaign, IL; Rochester, MN; Branson, MO; Natchez, MS; Great Falls, MT; New Bern, NC; Wilmington, NC; Williston, ND; Salem, OR; Hilton Head, SC; Rapid City, SD; Corpus Christi, TX; Laredo, TX; McAllen, TX; Port of Pasco, WA; Mosinee, WI; and Charleston, WV.

All selected communities are contributing financial resources to their respective grant projects. The local resources reflect a commitment that is important to the potential success of the proposed initiatives. Moreover, nearly all of the communities have (1) established robust public-private partnerships to enhance community participation and facilitate access to air services, (2) provided a specific plan and timetable for using their grant funds in a timely manner, and (3) have provided a letter of support from an interested air carrier.

Air Service Development Zone

The statute directs the Department to designate an airport in one community awarded a grant under this program as an “Air Service Development Zone” (ASDZ), and to work with the community or consortium on means to attract business to the area surrounding the airport, to develop land use options for the area, and to provide data, working with the Department of Commerce and other Federal agencies.¹⁴ Only one SCASDP grant recipient may hold an ASDZ designation at any one time. As we noted in Order 2022-1-8, an FY 2018 SCASDP grant recipient, Grand Junction Regional Airport, Grand Junction, CO, is a current ASDZ designee, and the Department therefore did not solicit a new ASDZ designee in this proceeding.

Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the Solicitation Order that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As done in the past, milestones and progress reporting requirements (modified as discussed below) will be included in the grant agreements. Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. Expenditures incurred by third parties are not directly reimbursable to such third parties under

this proceeding. Any affected community wishing to avail itself of a debriefing should contact the Associate Director, Brooke Chapman, at Brooke.Chapman@dot.gov.

¹⁴ 49 U.S.C. § 41743(h).

this grant program.¹⁵ In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid. Communities will be required to comply fully with the terms of their proposals and the grant agreements.

We will issue Small Community Program grants for three different durations: three years for grants involving studies, four years for those involving marketing, and five years for those including revenue guarantees.¹⁶

As we did for the FY 2017, FY 2018, and FY 2019 grants, we will provide for a community to seek and obtain a first grant extension (if it deems such an extension necessary) by allowing it to obtain a self-initiated one-year extension of its grant if it files with the Department, no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension.¹⁷

Reporting Requirements

Unless otherwise noted, each grantee must submit semi-annual reports on the progress made during the previous period in implementing its grant project. In addition, each community will be required to submit a final report on its project to the Department, and 10 percent of the grant funds will not be reimbursed to the community until such a final report is received. Additional information on award administration for selected communities will be provided in their grant agreements.

ACCORDINGLY,

1. We select the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program as described in this Order;
2. Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also available at <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>). In addition, to the extent that the grant agreement permits expenditure of the awarded Small Community Program funds in any manner that would not be permitted for funds received as part of Federal Aviation Administration's Airport Improvement Program (AIP), such

¹⁵ The legal sponsor must have paid all costs associated with eligible invoices, including costs incurred by third parties, prior to seeking reimbursement from the Department.

¹⁶ See Order 2018-7-10, p. 6, Order 2020-2-14, p. 5, and Order 2021-7-13, p. 6. Title 49 U.S.C. § 41743(d)(1) states that the Secretary may issue grants "to provide assistance to an air carrier to subsidize service to and from an underserved airport for a period not to exceed 3 years...." The three-year limitation applies only to the duration of the revenue guarantee itself, beginning when the subsidized service actually commences. Our five-year grant duration recognizes that significant time is often spent by communities in arranging for a revenue guarantee with an air carrier before such service can begin, and it gives additional time for communities and air carriers to complete this preliminary process.

¹⁷ See Order 2018-7-10, p. 6, Order 2020-2-13, p. 6, and Order 2021-7-13, p. 7.

permission is strictly limited to the expenditure of the Small Community Program funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to fully comply with FAA Order 5100.38D and all applicable federal law;

3. Each award recipient must affirm this award by entering into a grant agreement with the Department. Award recipients may not seek to be reimbursed under the Small Community Program until they affirm their grant awards;

4. Each award recipient whose grant agreement has not yet reached its initial termination date may obtain a self-initiated one-year extension of its grant if it files with the Department (Office of Aviation Analysis, X-55), no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension; and

5. A copy of this Order will be served on the legal sponsor for each applicant in this proceeding.

By:

CAROL A. (ANNIE) PETSONK
Assistant Secretary
for Aviation and International Affairs

(SEAL)

*An electronic version of this document is available
at <http://www.regulations.gov>*

Appendix

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
AL	Gulf Shores	\$500,000	The funding will be used for a marketing plan to promote new service at Gulf Shores International Airport. The community seeks additional air service to support its existing tourism, aerospace, and manufacturing industries. Allegiant Airlines, Elite Airways, and Sun Country Airlines provided letters of support for the project. The community is providing significant local funding for the project.
AL	Montgomery	\$300,000	The funding will be used for a marketing plan to support the community's current route to Ronald Reagan Washington National Airport. The community notes that the Montgomery – Washington, DC market has been its largest Origin and Destination route, and that increased marketing of the service is crucial to building load factors and ensuring continuation of its current level of service. The community will provide significant local funding for the project. Fares in the community are significantly higher than the national average.
AR	Bentonville	\$500,000	The funding will be used for a revenue guarantee and marketing to support nonstop service to San Francisco International Airport by Breeze Airways. The community states that the service, which is planned to begin in the Spring of 2023, will reestablish service in the market previously operated by United Airlines, which stopped service in 2020. New flights by an ultra low-cost carrier would also exert downward pressure on airfares, which are above the national average. Breeze Airways filed a letter in support of the project, and the community will provide additional funding.
AR	Fort Smith	\$855,000	The funding will be used for a revenue guarantee and marketing to initiate and support new daily non-stop service between Fort Smith Regional Airport and Chicago O'Hare International Airport, or another hub in the northeastern United States. The community currently has service to only one destination, Dallas/Ft. Worth, having recently lost service to Atlanta, GA, formerly operated by Delta Air Lines. The community is relatively isolated and has airfares that are higher than the national average. It is also providing significant local funding for the project. American Airlines has filed a letter in support of the proposal.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
CA	Arcata	\$850,000	The funding will be used for a revenue guarantee and marketing to initiate and support nonstop service on a major air carrier between Arcata and Seattle-Tacoma International Airport. The community states that it currently has no northbound service, which its proposed Seattle service would provide, and that the proposed service would increase competition and place downward pressure on airfares, which are above the national average. Alaska Airlines has filed a letter in support, and the community is providing significant local funding.
CO	Eagle County	\$1,000,000	The funding will be used for a revenue guarantee and marketing to initiate and support new seasonal low-cost carrier service at Eagle County Regional Airport during the ski season (mid-December through early April). The community states that it is seeking to obtain at least one low-cost carrier to provide service in at least one unserved market. The community is experiencing high airfares and aims to use this grant to bring down skiing-tourism travel costs. The community is providing a very high level of local funding. Alaska Airlines and Sun Country Airlines filed letters in support of the proposal.
CT	Tweed-New Haven	\$800,000	The funding will be used for a revenue guarantee and marketing to support new service to Charlotte, NC, Atlanta, GA, and/or San Juan, PR on Avelo Airlines. The community states that Avelo already operates services out of Tweed-New Haven, and the chosen destinations for the new services are among the community's highest unserved Origin and Destination markets. The community is experiencing slightly higher than average airfares, and it believes that service to one or more of the proposed hubs would expand travel options for the area's industry and education sectors. The community is providing substantial local funding. Avelo filed a letter in support of the proposal.
FL	Daytona Beach	\$500,000	The funding will be used for a revenue guarantee, marketing, and start-up costs to restore daily service between Daytona Beach and Chicago O'Hare International Airport. The community states that resumption of this service would address major traffic leakage it experiences to other Florida airports. The community is providing substantial local funding. American Airlines filed a letter in support of the proposal.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
IL	Champaign	\$850,000	The funding will be used for a revenue guarantee and marketing to initiate service by American Airlines to Ronald Reagan Washington National Airport, or alternatively, service by United Airlines to Washington Dulles International Airport. The community has a substantial air service deficiency, as evidenced by the high level of traffic leakage it experiences to other airports, and the proposed new service would help alleviate that problem. It has high airfares and is providing significant local funding for the project.
MN	Rochester	\$850,000	The funding will be used for a revenue guarantee and marketing to secure nonstop service to Dallas/Ft. Worth International Airport, connecting onward to cities throughout the United States. The community notes that it has lost service to Atlanta, GA, on Delta Air Lines, and to Chicago, IL, and Denver, CO, on United Airlines, and that the addition of service to another large hub would help alleviate those losses of service. The community is providing significant local funding for the project.
MO	Branson	\$500,000	The funding will be used for a revenue guarantee and marketing to support new service from Branson Regional Airport to Minneapolis/St. Paul, MN, on Sun Country Airlines. The community notes that the airport's only current service is to Denver, CO, limiting service options to residents of the surrounding area. There was previous service from the airport to Minneapolis/St. Paul, and its restoration would help not only the local population but also the area's tourism industry. The community is providing significant local funding for the project. Sun Country filed a letter in support of the proposal.
MS	Natchez	\$750,000	The funding will be used for a revenue guarantee, marketing, and start-up costs to attract new air service from Natchez-Adams County Airport to Dallas/Ft. Worth International Airport, on Southern Airways Express. The airport currently lacks any scheduled air service, and the community states that the introduction of the proposed new service is important for the economic development of the region. The community further states that should the arrangement with Southern Airways Express not come to fruition, it would alternatively seek service to another hub such as Houston, TX. The community is providing substantial local funding for the project. Southern Airways Express has filed a letter in support of the proposal.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
MT	Great Falls	\$700,000	The funding will be used for a revenue guarantee and marketing for new service to Dallas/Ft. Worth International Airport, on American Airlines. The community is relatively isolated. The proposal would add a new service to a directionally-deficient area for the community, involving service to a hub that offers improved connections to the Southeastern United States and to Latin America. The community is providing a high level of local funding for the project, and American Airlines has filed a letter in support for the proposal.
NC	New Bern	\$776,000	The funding will be used for a revenue guarantee and marketing to start new service to Philadelphia. The community's current airfares are slightly higher than the national average. The community states that the proposed new service will benefit multiple sectors of its economy, and in particular, its tourism industry along the coast including North Carolina's Outer Banks. The only current service to New Bern is from Charlotte, NC, on American Airlines. The community is providing a high level of local funding for the proposal.
NC	Wilmington	\$600,000	The funding will be used for a revenue guarantee and marketing to start new service to a South Florida hub, including Fort Lauderdale, Miami, or West Palm Beach, FL, using American Airlines. The community is experiencing high airfares, and states that there is strong business support for additional service at Wilmington, and that South Florida destinations would provide improved connectivity to the Caribbean and Central/South America. The community is providing substantial local funding for the project, and American Airlines has filed a letter in support of the proposal.
ND	Williston	\$500,000	The funding will be used for a revenue guarantee, marketing, and start-up costs to begin twice weekly service to Phoenix Sky Harbor International Airport on Sun Country Airlines. The community is relatively isolated, and experiences high airfares. The new service would provide benefits to local industry, centered on the petroleum business. The community is providing substantial local funding for the project, and Sun Country has filed a letter in support of the proposal.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
OR	Salem	\$850,000	The funding will be used for a revenue guarantee and marketing for non-stop air service between Salem and its four largest passenger markets, Los Angeles and San Francisco, CA, and Las Vegas and Phoenix, AZ. The community currently has no scheduled air service. It believes that the markets it has chosen can support the proposed service and benefit the community and surrounding areas. The community is providing substantial local funding for the project, and Avelo Airlines has filed a letter in support of the proposal.
SC	Hilton Head	\$250,000	The funding will be used for a marketing program to support and develop awareness of Hilton Head Island Airport (HHIA) and its air service. The community wishes to make consumers aware of (1) the distinction between its airport, which is on Hilton Head Island, and Savannah-Hilton Head International Airport, which is approximately 40 miles away on the mainland; and (2) that recent upgrades to HHIA have resulted in increased air carrier service. The community is providing substantial local funding for the project.
SD	Rapid City	\$1,000,000	The funding will be used for a revenue guarantee and marketing to restore nonstop service to San Francisco International Airport. The community states that it formerly had San Francisco service operated by United Airlines, but that the service was terminated, and that restoration of this service on a new air carrier would benefit westbound travelers and increase competition. The community is providing substantial local funding for the project, and Breeze Airways has filed a letter in support of the project.
TX	Corpus Christi	\$750,000	The funding will be used for a revenue guarantee and marketing for low-cost carrier air service to a Western destination, such as Denver, CO or Las Vegas, NV. Airfares are above the national average, and the community notes that it currently has no nonstop air service outside of the State of Texas. The community believes that service to a Western point would provide benefits to travelers, and that the use of an ultra-low-cost carrier for the service would foster low fares. The community is providing substantial local funding, and Sun Country Airlines has filed a letter in support of the project as it relates to Denver service.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
TX	Laredo	\$250,000	The funding will be used for a marketing plan designed to regain travelers currently driving to other airports. The community has high airfares, and the community states that it suffers a high level of traffic leakage to other cities. It proposes to implement a marketing plan to promote the community's existing domestic services operated by American Airlines, United Airlines, and Allegiant Air, a plan that includes novel concepts including an online cost calculator to assist prospective passengers. The community is providing substantial local funding, and American and Allegiant have filed letters in support of the proposal.
TX	McAllen	\$750,000	The funding will be used for a revenue guarantee and marketing for American Airlines to start daily service to Phoenix, AZ. The community has high airfares and seeks to restore Phoenix service it previously held. It notes that currently passengers seeking to connect to western points must first fly east, and that the Phoenix destination it has chosen will address this inefficiency. The community is providing very substantial local funding for the project, and American Airlines has filed a letter in support of the proposal.
WA	Port of Pasco	\$750,000	The funding will be used for a revenue guarantee and marketing for new daily non-stop air service to Dallas/Ft. Worth, TX on American Airlines. The community states that it is currently isolated from other airports with jet service. It states that its current air services are concentrated in the West and Southwest, and it believes that the addition of service to the Dallas/Ft. Worth hub would make available to Pasco travelers access to a currently service-deficient part of the country. The community is providing local funding for the project.
WI	Mosinee	\$900,000	The funding will be used for a revenue guarantee and marketing to start new service to Phoenix, AZ, Orlando, FL, or a point in Southwest Florida, targeting a low-cost air carrier. The community states that it is experiencing significant traffic leakage to other airports, and that earlier this year United Airlines exited the Mosinee market. It states that its proposal will benefit local businesses and educational institutions and will place downward pressure on airfares. The community is providing substantial local funding, and Sun Country Airlines has filed a letter in support of the project.

Appendix Order 2022-8-5			
State	Community	Federal Amount Awarded	Project Description
WV	Charleston	\$600,000	The funding will be used for a revenue guarantee and marketing to initiate and support new nonstop service to Dallas/Ft. Worth International Airport or Houston George Bush Intercontinental Airport. The community's airfares are higher than the national average. The community notes that the Charleston area's economy is experiencing significant growth, increasing demand for air services, and its proposal would restore service to a major hub west of the Mississippi, which is currently lacking. The community is providing substantial local funding, and American Airlines has filed a letter in support of the project.



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 27th day of July, 2021

In the Matter of the

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PROGRAM**

DOCKET DOT-OST-2020-0231

under 49 U.S.C. § 41743 *et seq.*

ORDER AWARDING GRANTS

Summary

By this Order, the U.S. Department of Transportation (the Department) awards 22 grants under the Small Community Air Service Development Program (“Small Community Program” or “SCASDP”) benefitting communities in 22 states to assist with the implementation of the air service initiatives proposed in their grant applications. The communities, the amount of funding awarded to the communities, and brief descriptions of the projects are listed in the Appendix to this Order. Award recipients must affirm their grant awards by entering into grant agreements, obligating the funds, with the Department. Award recipients may not seek to be reimbursed funds under the Small Community Program until they affirm their grant awards.

Background

The Small Community Program was established by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Pub. L. No. 106-181), reauthorized by the Vision 100-Century of Aviation Reauthorization Act (Pub. L. No. 108-176), and subsequently reauthorized by the FAA Modernization and Reform Act of 2012 (Pub. L. No. 112-95), as amended, the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Pub. L. No. 115-63), and the FAA Reauthorization Act of 2018 (Pub. L. No. 115-254) (FAA 2018).¹ Authorization for this program is codified at 49 U.S.C. § 41743.

¹ FAA 2018 made a number of structural and technical changes to the program that apply to grants beginning in FY 2018 and that are reflected in this Order.

The Small Community Program is authorized to receive appropriations under 49 U.S.C. § 41743(e)(2). Appropriations are provided for this program for award selection in FY 2019 pursuant to the Consolidated Appropriations Act, 2019 (Pub. L. No. 116-6). See footnote 9 below for a breakdown of the sourcing of monies for this FY 2019 selection.

When selecting applicants to participate in the Small Community Program, the Department is statutorily required to apply the following criteria for participation:

1. The airport serving the community or consortium is not larger than a small hub airport, as determined using the FAA's most recently published classification effective on the date that the community or consortium files an application;
2. The airport has insufficient air carrier service or unreasonably high air fares;
3. The airport presents characteristics, such as geographic diversity or unique circumstances, that demonstrate the need for, and feasibility of, the Small Community Program;
4. An applicant may not receive an additional grant to support the same project more than once in a 10-year period, except in certain circumstances;² and
5. An applicant may not receive an additional grant prior to the completion of its previous grant.³

The statute further provides that no more than four communities or consortia of communities, or a combination thereof, from the same state may be selected to participate in the program in any fiscal year, and no more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which the funds are appropriated.

In addition, the statute directs the Department to give priority to those communities or consortia of communities⁴ where: (a) air fares are higher than the average air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport revenue sources; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public; (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited; (e) the assistance will be used to help restore scheduled passenger air service that has been terminated;⁵ (f) the funds will be used in a timely manner;⁶ and (g) multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.

² As provided under 49 U.S.C. § 41743(c)(4)(C), the Department may waive the same project limitation.

³ 49 U.S.C. § 41743(c)(1)-(4).

⁴ A consortium of communities is defined as a single entity. 49 U.S.C. § 41743.

⁵ 49 U.S.C. § 41743(c)(5)(E).

⁶ 49 U.S.C. § 41743(c)(5)(F).

The Department is authorized to award grants to communities that seek to provide assistance to:

- An air carrier to subsidize service to and from an underserved airport for a period not to exceed three years;
- An underserved airport to obtain service to and from the underserved airport; and/or
- An underserved airport to implement such other measures to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.⁷

On November 24, 2020, the Department issued Order 2020-11-5 in this Docket, soliciting grant proposals from communities interested in receiving grant funding for FY 2019.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Pub. L. No. 116-260). The law included a new appropriation of up to \$5 million for SCASDP, and required the Department “to give priority to communities or consortia of communities that have had air carrier service reduced or suspended as a result of the coronavirus pandemic” for this funding and for funding for FYs 2019, 2020, and 2021. It also required that the Department publish procedures to allocate this funding no later than 60 days after enactment of the law and award the funds to grantees as soon as practicable.⁸

On January 19, 2021, the Department issued Order 2021-1-4 in this Docket, amending Order 2020-11-5 to incorporate the relevant changes set forth in Pub. L. No. 116-260, and to set a new due date for applications filed in this proceeding. Specifically, that Order:

- raised the total funding for FY 2019 grant awards from up to \$13 million to up to \$18 million;⁹
- added a new Priority Selection Criterion to read as follows: “The assistance will be used to help restore scheduled passenger air service that has been reduced or suspended as a result of the 2020 Coronavirus pandemic;¹⁰
- changed the due date for applications for grant awards from January 26, 2021 to March 1, 2021; and

⁷ 49 U.S.C. § 41743(d).

⁸ See Pub. L. No. 116-260, Division M, “Coronavirus Response and Relief Supplemental Appropriation Act, 2021,” Title IV, Section 4.

⁹ These monies are sourced as follows: \$10 million in FY 2019 funding (Pub. L. No. 116-6), up to \$5 million in Coronavirus Response and Relief funding (Pub. L. No. 116-260), and up to \$4 million in FY 2020 funding (Pub. L. No. 116-94). The exact amount available in this proceeding, not to exceed \$18 million, is dependent on the Department’s final allocation of a portion of the Coronavirus Response and Relief funds among various programs.

¹⁰ See Order 2021-1-4 for a further explanation of this new Priority Selection Criterion. The other Priority, and Secondary Selection Criteria applicable to this proceeding are described in Order 2020-11-5, pages 9 – 12.

- increased the maximum number of pages that an application may contain from 20 to 21, to allow applicants extra space to include, where relevant, information related to the new priority selection criterion.

Order 2020-11-5, as amended by Order 2021-1-4, will be referred to as the “Solicitation Order” in the context of this proceeding.

The Solicitation Order required each applicant to submit a completed Standard Form 424 and a Summary Information schedule to www.grants.gov. Communities were requested to provide information that would help in the consideration of their grant requests, including details about their existing air services, historical air services, current air service needs and deficiencies, a full description of the community’s proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations.

Drawing on the Department’s learnings and experience from previous years, the Solicitation Order discussed various issues relating to project types and the grant application process, including the sources of local funding, the consideration of in-kind contribution, the use of grant funds, and the eligibility to participate by past grant recipients. The Solicitation Order further emphasized that communities would be expected to meet the financial-contribution commitments that they include in their proposals.

Grant Applications

In response to the Solicitation Order, the Department received 78 grant applications from communities in 38 states. Collectively, these communities sought more than \$58 million in Federal assistance to support new and ongoing air service development projects. Seven of the 78 applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible for consideration.

As in previous years, this year’s eligible applications included proposals for feasibility studies, new or expanded service initiatives, marketing, and assorted combinations thereof. These applicants provided information on historical and current air service and air fare issues facing their communities, the economic benefits of air service, proposed initiatives to remedy air service or air fare problems, and arguments in support of their proposals. Nearly all the communities pledged local cash and/or in-kind contributions from local, state, airport, or private sources to complement their requests for Federal assistance.

The large majority of applicants specified the need to attract new and/or additional air services to their communities. Nearly all of the applications discussed the impacts of the COVID-19 pandemic on air services at applicant airports and communities. Similar to previous years, a majority of applicants also proposed to implement their projects using revenue guarantees or subsidies, together with a variety of marketing and promotional initiatives. A critical component of most proposals was funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of local airport services. These efforts are directed at publicizing not only the availability of air services, but also the convenience of using the local airport compared to more congested air service hubs or other larger airports in the

region. Almost all applicants cited reductions and/or suspensions of service due to the coronavirus pandemic, arguing that this factor, in particular, combined with ongoing industry issues they have been facing, prompted the need for Federal assistance in order to help communities in these unique circumstances.

Grant Awards

The Small Community Program is unique in that it encourages and affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities the opportunity to develop and implement air service projects tailored to their individual needs, the program aims to maximize the potential for success in the communities' endeavors. Since the program's inception, the Department has sought to maximize the number of participating communities, promote geographic diversity of the selections, and support a variety of solutions to the problems identified by applicants in order to provide a wide range of approaches for dealing with the challenges faced by similarly-situated communities.

With these considerations in mind, we are selecting 22 grant proposals with the objective of entering into grant agreements with the communities identified in the Appendix to this Order. Award recipients must enter into grant agreements with the Department before the recipients may seek to be reimbursed expenses under their Small Community Program projects. In addition, grant recipients are subject to all grant conditions and assurances required by Federal law, regulations, and executive orders.¹¹ The Department's grant agreements will be transmitted to the selected communities subsequent to the issuance of this Order.¹²

The proposals we selected meet the purpose of the statute and provide opportunities to test a variety of approaches to improving small community air service in many regions of the country. The attached Appendix provides a brief description of each project and the amount of funding each community requested. As an overview, all of the awards are being made to communities proposing revenue guarantees or marketing, or revenue guarantees with marketing, as a means to attract new service, to support existing service, or to restore lost service.

The selected communities are: Mobile, AL; Texarkana, AR; Redding, CA; Gunnison, CO; St. Augustine, FL; Georgia Department of Transportation, GA; Baton Rouge, LA; Kalamazoo, MI; Duluth, MN; Springfield-Branson, MO; Helena, MT; Jacksonville, NC; Manchester, NH; Hobbs, NM; Binghamton, NY; Akron-Canton, OH; Redmond, OR; Williamsport, PA; Killeen, TX, Newport News, VA; Appleton, WI; and Huntington, WV.

All of the selected communities are contributing financial resources to their respective grant projects. The local resources reflect a commitment that is important to the potential success of

¹¹ See <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP> for applicable conditions and assurances.

¹² As in previous years, the Department's staff will, at the request of any non-selected applicant community, conduct a debriefing with representatives of that community to review and provide feedback on its application in this proceeding. Any affected community wishing to avail itself of a debriefing should contact the Associate Director, Brooke Chapman, at Brooke.Chapman@dot.gov.

the proposed initiatives. Moreover, nearly all of the communities have (1) established robust public-private partnerships to enhance community participation and facilitate access to air services, (2) provided a specific plan and timetable for using their grant funds in a timely manner, and (3) have provided a letter of support from an interested air carrier.

Air Service Development Zone

The statute directs the Department to designate an airport in one community awarded a grant under this program as an “Air Service Development Zone” (ASDZ), and to work with the community or consortium on means to attract business to the area surrounding the airport, to develop land-use options for the area, and to provide data, working with the Department of Commerce and other Federal agencies.¹³ Only one SCASDP grant recipient may hold an ASDZ designation at any one time. As we noted in Order 2020-11-5, an FY 2018 SCASDP grant recipient, Grand Junction Regional Airport, Grand Junction, CO, is a current ASDZ designee, and the Department therefore did not solicit a new ASDZ designee in this proceeding.

Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the Solicitation Order that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As done in the past, milestones and progress reporting requirements (modified as discussed below) will be included in the grant agreements. Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. Expenditures incurred by third parties are not directly reimbursable to such third parties under this grant program.¹⁴ In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid. Communities will be required to comply fully with the terms of their proposals and the grant agreements.

We will issue Small Community Program grants for three different durations: three years for grants involving studies, four years for those involving marketing, and five years for those including revenue guarantees.¹⁵

¹³ 49 U.S.C. § 41743(h).

¹⁴ The legal sponsor must have paid all costs associated with eligible invoices, including costs incurred by third parties, prior to seeking reimbursement from the Department.

¹⁵ See Order 2018-7-10, p. 6, and Order 2020-2-14, p. 5. Title 49 U.S.C. § 41743(d)(1) states that the Secretary may issue grants “to provide assistance to an air carrier to subsidize service to and from an underserved airport for a period not to exceed 3 years....” The three-year limitation applies only to the duration of the revenue guarantee itself, beginning when the subsidized service actually commences. Our five-year grant duration recognizes that significant time is often spent by communities in arranging for a revenue guarantee with an air carrier before such service can begin, and it gives additional time for communities and air carriers to complete this preliminary process.

As we did for the FY 2017 and FY 2018 grants, we will provide for a community to seek and obtain a first grant extension (if it deems such an extension necessary) by allowing it to obtain a self-initiated one-year extension of its grant if it files with the Department, no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension.¹⁶

Reporting Requirements

Unless otherwise noted, each grantee must submit semi-annual reports on the progress made during the previous period in implementing its grant project. In addition, each community will be required to submit a final report on its project to the Department, and 10 percent of the grant funds will not be reimbursed to the community until such a final report is received. Additional information on award administration for selected communities will be provided in their grant agreements.

ACCORDINGLY,

1. We select the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program as described in this Order;
2. Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also available at <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>). In addition, to the extent that the grant agreement permits expenditure of the awarded Small Community Program funds in any manner that would not be permitted for funds received as part of Federal Aviation Administration's Airport Improvement Program (AIP), such permission is strictly limited to the expenditure of the Small Community Program funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to fully comply with FAA Order 5100.38D and all applicable federal law;
3. Each award recipient must affirm this award by entering into a grant agreement with the Department. Award recipients may not seek to be reimbursed under the Small Community Program until they affirm their grant awards;
4. Each award recipient whose grant agreement has not yet reached its initial termination date may obtain a self-initiated one-year extension of its grant if it files with the Department (Office of Aviation Analysis, X-55), no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension; and

¹⁶ See Order 2018-7-10, p. 6, and Order 2020-2-13, p. 6.

5. A copy of this Order will be served on the legal sponsor for each applicant in this proceeding.

By:

Carol A. (Annie) Petsonk
Deputy Assistant Secretary
for Aviation and International Affairs

(SEAL)

*An electronic version of this document is available
at <http://www.regulations.gov>*

Appendix

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
AL	Mobile	\$1,000,000	The funding will be used for a revenue guarantee, marketing program and start-up cost offsets for new nonstop service to Washington-Dulles International Airport (IAD), using United Airlines. The community states that its existing service has been drastically reduced due to the pandemic, making it difficult for passengers to find availability. The community believes that service to IAD will add needed capacity. The community will provide significant local funding for the proposal and the airport has committed support for the new route after the grant ends.
AR	Texarkana	\$884,722	The funding will be used for a revenue guarantee, marketing, and start-up cost offsets for new daily regional jet service between Texarkana and Houston, TX by SkyWest Airlines/United Express. The community states that this service would open a second route to a second hub, with a new airline. It further states that it would help Texarkana retain service, as many potential passengers currently use other airports. SkyWest has filed in support. The community is isolated from hub air services.
CA	Redding	\$760,000	The funding will be used for a revenue guarantee for new nonstop service to Denver, CO, using United Airlines/SkyWest. The community believes that its proposal would provide strong eastbound connecting opportunities. United and SkyWest provided letters of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal.
CO	Gunnison	\$600,000	The funding will be used for a revenue guarantee and marketing to expand American Airlines services from Dallas/Ft. Worth International Airport to include daily summer service. The community states that its proposal would address high airfares, and year-round access to American's Dallas/Ft. Worth hub would provide travelers with one-stop service to many of Gunnison's other high-demand destinations. American supplied a letter in support. The community will provide significant local funding for the proposal and the airport has high air fares.
FL	St. Augustine	\$700,000	The funding will be used for a revenue guarantee and marketing for nonstop service to Charlotte, NC, on American Airlines. The community states that the proposal will re-introduce scheduled service to the community. American Airlines has provided a letter of support for this application. The community will provide significant local funding for the proposal.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
GA	Georgia DOT	\$650,000	The funding will be used for a marketing program to support several small-hub and non-hub airports. The consortium states that it seeks to provide an educational program that describes airport efforts to reduce the potential spread of COVID, and also institute a “Fly Local/Fly Georgia” marketing program to retain local passengers and reduce leakage to airports in surrounding states. The State is providing significant local funding for the project.
LA	Baton Rouge	\$1,000,000	The funding will be used for a revenue guarantee, marketing, start-up cost offsets and ground handling fee waivers to provide new air service to the Washington D.C. area, including all three major D.C.-area airports. The community states that service has been reduced significantly during COVID pandemic. The proposal will provide service to the Northeast portion of the US. American Airlines has provided a letter of support. The community is providing significant local funding and it is somewhat isolated.
MI	Kalamazoo	\$1,000,000	The funding will be used for a revenue guarantee for service to Charlotte, NC. The community seeks to gain service to Charlotte, as a potentially robust connecting point. American Airlines provided a letter of support. Current fares at the community are higher than the national average.
MN	Duluth	\$750,000	The funding will be used for a revenue guarantee for new nonstop service to Denver, CO. The community states that adding Denver service would not only serve the estimated large Denver demand in the region, but would also improve connectivity to other destinations. SkyWest Airlines filed in support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal and it is isolated from other airports.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
MO	Springfield-Branson	\$750,000	The funding will be used for a revenue guarantee and marketing to initiate new service to Washington Reagan National Airport on American Airlines. The community states that the new service would benefit both the business community and the tourism sector. The community further states that the service would help to attract more leisure traffic to the tourism-centric area. American Airlines has provided a letter of support for the proposal. The community notes that the proposal would introduce service to the northeast and provide numerous connection opportunities to a part of the country that is currently deficient. The community has arranged for a large amount of local funding and it is isolated from larger hub airports.
MT	Helena	\$1,004,743	The funding will be used for a revenue guarantee, marketing, and start-up support for new daily regional jet service to Phoenix Sky Harbor with American Airlines. The community notes that the region has experienced a large increase in tourists and people relocating to the area since the COVID pandemic began. It believes that Phoenix, its second largest hub destination without direct air service, will make for a popular route. American Airlines supports the request. The community is remote.
NC	Jacksonville	\$700,000	The funding will be used for a revenue guarantee, marketing, and fee waivers for new nonstop service to Dallas/Ft. Worth International Airport (DFW). The community states that while air service levels have been resilient throughout the COVID pandemic, service to DFW would complement existing service on the east coast by improving access to western United States and international markets. American Airlines has provided a letter of support. The community will provide significant local funding for the proposal.
NH	Manchester	\$425,000	The funding will be used for a marketing program to support an ultra-low-cost carrier (ULCC). The community believes that the presence of an ULCC would help retain passengers. Spirit Airlines has filed a letter of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal and the airport has higher air fares.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
NM	Hobbs	\$800,000	The funding will be used for a revenue guarantee and marketing to attract United Airlines to re-start service to Denver, CO, which it cancelled during the COVID pandemic. Hobbs is relatively isolated, with the nearest small hub airport roughly 100 miles away. The community states that United began Denver service in October 2019, and that it had good load factors until its cancellation in April 2020. United Airlines provided a support letter. The project satisfies the new COVID air service restoration priority, the community is contributing significant local funding, and the airport has high air fares.
NY	Binghamton	\$1,000,000	The funding will be used for a revenue guarantee for nonstop service to a Washington, DC area airport. The community states that, at present, it only has service to one destination on one air carrier. It states that service to a Washington, DC airport, with strong connecting opportunities, will allow the community to regain a significant portion of the passengers lost, due to service reductions. SkyWest Airlines has provided a letter of support. Fares at the community are higher than the national average.
OH	Akron-Canton	\$850,000	The funding will be used for a revenue guarantee to assist with the restoration of service between Akron and Houston, TX. The community states that service to Houston was suspended in March 2020 due to the COVID pandemic, and that new and/or restored air service would benefit a significant segment of its population. United Airlines has provided a letter of support. The proposal satisfies the COVID air service restoration priority and the community has high air fares.
OR	Redmond	\$800,000	The funding will be used for a revenue guarantee for service to Dallas-Ft. Worth International Airport (DFW). The community believes that fares from Redmond to DFW and top connecting markets are higher than at nearby regional airports, and states that its proposed service will help reduce fares and benefit multiple businesses in the region, from tourism to tech to manufacturing, given DFW's connectivity to additional markets. American Airlines filed a letter in support. The community will provide significant local funding for the proposal.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
PA	Williamsport	\$950,000	The funding will be used for a revenue guarantee for new network-branded regional jet service from Williamsport to Washington, DC, and Chicago, IL. The community states that, at present it has service to only one destination on one carrier, and it is concerned about its continued viability given the effects of the COVID pandemic. SkyWest Airlines provided a support letter and would operate under the United Express brand to both airports. The community has arranged for a large amount of local funding, demonstrating strong community support for the project.
TX	Killeen	\$1,000,000	The funding will be used for a revenue guarantee, marketing, and startup cost offset for nonstop service to Denver, CO. The community states that obtaining service to Denver will provide great benefit to the community, including the United States military due to its proximity to Fort Hood. New flights to Denver would create service and connections to the west, which is currently deficient at the community. SkyWest Airlines provided a letter of support and the community has air fares higher than the national average.
VA	Newport News	\$847,646	The funding will be used for a revenue guarantee for service to Washington Dulles International Airport (IAD) on United Airlines. The community states that nonstop access to IAD will, in addition to benefitting the general public, provide connectivity to government and military agencies that have ties to the DC region. United Airlines filed a letter in support. The community will provide significant local funding for the proposal and it has air fares higher than the national average.
WI	Appleton	\$750,000	The funding will be used for a revenue guarantee, marketing, start-up cost offsets, and fee waivers for service to Dallas/Fort Worth International Airport (DFW) on American Airlines. The community states that United's non-stop service to Denver was cancelled and Delta reduced flights to Minneapolis St. Paul in April 2020 due to the COVID pandemic. It further states that the proposed new nonstop service to DFW would replace the directional hub service lost. American Airlines has filed a letter in support. The community will provide significant local funding for the proposal.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
WV	Huntington	\$750,000	The funding would be used for a revenue guarantee, marketing, and fee waivers for nonstop service to Washington, DC and Chicago, IL. The community states that it currently has service to only one hub destination, but it is concerned that the service may be permanently reduced or suspended, as service was reduced significantly during the COVID-19 pandemic. SkyWest Airlines provided a letter of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal.



U.S. Transportation Secretary Elaine L. Chao Announces \$12.2 Million in Grants to Help Small Communities Improve Air Service

Monday, February 24, 2020

WASHINGTON – U.S. Transportation Secretary Elaine L. Chao today announced that the U.S. Department of Transportation is providing \$12.2 million from the Small Community Air Service Development Program to help 18 communities in 18 states develop their own solutions to local air service needs. The Department received 57 applications from 30 states. This follows last week’s announcement of \$520.5 million in airport infrastructure grants to 287 airports in 41 states.

“This federal support to airports across the country will help to keep our nation’s airports in good shape and make air travel a better experience for passengers,” said U.S. Secretary of Transportation Elaine L. Chao.

Since the inception of the program, USDOT has issued more than 400 grants, helping communities develop projects tailored to their own air service needs. Grants are used to provide financial incentives to carriers, conduct studies on the possibilities of expanded service, and carry out marketing programs to promote existing local service, as well as address other challenges small communities and their airports may experience.

The communities receiving grant awards this year are:

Tuscaloosa, Alabama (\$750,000); Yuma, Arizona (\$775,000); Chico, California (\$500,000); Grand Junction, Colorado (\$950,000); Athens, Georgia (\$750,000); Dubuque, Iowa (\$775,000); Twin Falls, Idaho (\$900,000); Lake Charles, Louisiana (\$200,000); Rochester, Minnesota (\$750,000); Columbia, Missouri (\$800,000); Greenville, North Carolina (\$750,000); Atlantic City, New Jersey (\$400,000); Roswell, New Mexico (\$750,000); North Bend, Oregon (\$750,000); Erie, Pennsylvania (\$292,000); Abilene, Texas (\$1,000,000); St. George, Utah (\$370,000); and Pullman, Washington (\$780,000).

The selected communities are contributing financial resources to supplement the federal support, reflecting a commitment that is important to the potential success of the proposed initiatives. Nearly all of the communities have established robust public-private partnerships to enhance community participation and facilitate access to air services, provided a specific plan and timetable for using their grant funds in a timely manner, and many have provided letters of support from interested air carriers.

Complete community proposals and the Department’s final order are available at www.regulations.gov, docket DOT-OST-2019-0071.



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 12th day of July, 2018

In the Matter of the

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PROGRAM**

under 49 U.S.C. § 41743 *et seq.*

DOCKET DOT-OST-2017-0155

ORDER AWARDING GRANTS

Summary

By this Order, the U.S. Department of Transportation (the Department) awards 16 grants under the Small Community Air Service Development Program (“Small Community Program” or “SCASDP”) benefitting communities in 16 states to assist with the implementation of the air service initiatives proposed in their grant applications. The communities, the amount of funding awarded to the communities, and brief descriptions of the projects are listed in the Appendix to this Order. Award recipients must affirm their grant awards by entering into grant agreements, obligating the funds, with the Department. Award recipients may not seek to be reimbursed funds under the Small Community Program until they affirm their grant awards.

Background

The Small Community Program was established by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Pub. L. No. 106-181), reauthorized by the Vision 100-Century of Aviation Reauthorization Act (Pub. L. No. 108-176), and subsequently reauthorized by the FAA Modernization and Reform Act of 2012 (Pub. L. No. 112-95) (FAA 2012), as amended. Authorization for this program is codified at 49 U.S.C. § 41743.

The Small Community Program is authorized to receive appropriations under 49 U.S.C. § 41743(e)(2), as amended. The FAA Extension, Safety, and Security Act of 2016 (Pub. L. No. 114-190) amended 49 U.S.C. § 41743(e)(2) to authorize the program to receive an additional

\$6 million in appropriations through FY 2017.¹ The Consolidated Appropriations Act, 2017 (Pub. L. No. 115-31) provided the Department \$10 million for FY 2017 grant awards to carry out this program.

When selecting applicants to participate in the Small Community Program, the Department is statutorily required, under 49 U.S.C. § 41743, as amended by Pub. L. No. 114-113, to apply the following eligibility criteria:

1. (a) The airport serving the community or consortium is not larger than a small hub airport, according to FAA hub classifications effective on the date of service of our Order soliciting proposals in this proceeding (Order 2017-10-7), or
(b) As of calendar year 1997, the airport serving the community or consortium was not larger than a small hub airport;
2. The airport has insufficient air carrier service or unreasonably high air fares;
3. The airport presents characteristics, such as geographic diversity or unique circumstances, that demonstrate the need for, and feasibility of, the Small Community Program;
4. An applicant may not receive an additional grant to support the same project;² and
5. An applicant may not receive an additional grant prior to the completion of its previous grant.³

The statute further provides that no more than four communities or consortia of communities, or a combination thereof, from the same state may be selected to participate in the program in any fiscal year, and no more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which the funds are appropriated.

In addition, the law directs the Department to give priority to those communities or consortia of communities⁴ where: (a) air fares are higher than the average air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport revenue sources; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public; (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited; (e) the funds will be used in a timely manner;⁵ and (f) multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.⁶

¹ See Pub. L. No. 114-190, section 1102(e).

² However, as stated in our Order Soliciting Small Community Grant Proposals (Order 2017-10-7), previous grant recipients could submit grant proposals and seek funds for new projects. See Order 2017-10-7, p. 5, for a discussion on same projects.

³ 49 U.S.C. § 41743(c).

⁴ A consortium of communities is defined as a single entity. 49 U.S.C. § 41743.

⁵ 49 U.S.C. § 41743(c)(5)(E).

⁶ 49 U.S.C. § 41743(c)(5)(F).

The Department is authorized to award grants to communities that seek to provide assistance to:

- An air carrier to subsidize service to and from an underserved airport for a period not to exceed three years;
- An underserved airport to obtain service to and from the underserved airport; and/or
- An underserved airport to implement such other measures to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.⁷

On October 12, 2017, the Department issued an Order Soliciting Small Community Grant Proposals (Solicitation Order) from communities interested in receiving grant funding this year, and requested that such proposals be filed no later than December 15, 2017 (Order 2017-10-7). The Solicitation Order required each applicant to submit a completed Standard Form 424 and a Summary Information schedule to www.grants.gov. Communities were requested to provide information that would help in the consideration of their grant requests, including details about their existing air services, historical air services, current air service needs and deficiencies, a full description of the community's proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations.

Drawing on the Department's learnings and experience from previous years, the Solicitation Order discussed various issues relating to project types and the grant application process, including the sources of local funding, the consideration of in-kind contribution, the use of grant funds, and the eligibility to participate by past grant recipients. The Solicitation Order further emphasized that communities would be expected to meet the financial-contribution commitments that they include in their proposals.

FY 2017 Grant Applications

In response to the Solicitation Order, the Department received 53 total grant applications from communities in 36 states. Collectively, these communities sought more than \$31 million in Federal assistance to support new and ongoing air service development projects. Of the 53 applications, nine applications were from communities with small-hub airports. Seven of the 53 applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible in whole or in part for consideration. Of these applications, five were found ineligible due to missing the deadline to submit applications as outlined in the Solicitation Order. Two were found ineligible because the applicants did not demonstrate that they represented communities or consortia of communities.

As in previous years, this year's eligible applications included proposals for feasibility studies, new or expanded service initiatives, marketing, and assorted combinations thereof. These applicants provided information on historical and current air service and air fare issues facing

⁷ 49 U.S.C. § 41743(d).

their communities, the economic benefits of air service, proposed initiatives to remedy air service or air fare problems, and arguments in support of their proposals. Nearly all the communities pledged local cash and/or in-kind contributions from local, state, airport, or private sources to complement their requests for Federal assistance.

The large majority of applicants specified the need to attract new and/or additional air services to their communities. Similar to previous years, a majority of applicants also proposed to implement their projects using revenue guarantees or subsidies, together with a variety of marketing and promotional initiatives. A critical component of most proposals was funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of local airport services. These efforts are directed at publicizing not only the availability of air services, but also the convenience of using the local airport compared to more congested air service hubs or other larger airports in the region. A number of applicants argued that certain industry changes, including network rationalization and pilot shortages, prompted the need for Federal assistance in order to help the communities compete for new services and retain current services more critical.

FY 2017 Grant Awards

The Small Community Program is unique in that it encourages and affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities the opportunity to develop and implement air service projects tailored to their individual needs, the program aims to maximize the potential for success in the communities' endeavors. Since the program's inception, the Department has sought to maximize the number of participating communities, promote geographic diversity of the selections, and support a variety of solutions to the problems identified by applicants in order to provide a wide range of approaches for dealing with the challenges faced by similarly-situated communities.

With these considerations in mind, we are selecting 16 grant proposals with the objective of entering into grant agreements with the communities identified in the Appendix to this Order. Award recipients must enter into grant agreements with the Department before the recipients may seek to be reimbursed expenses under their Small Community Program projects. In addition, grant recipients are subject to all grant conditions and assurances required by Federal law, regulations, and executive orders.⁸ The Department's grant agreements will be transmitted to the selected communities subsequent to the issuance of this Order.

The proposals we selected meet the purpose of the statute, and provide opportunities to test a variety of approaches to improving small community air service in many regions of the country. The attached Appendix provides a brief description of each project and the amount of funding each community requested. As an overview, all of the awards are being made to communities proposing revenue guarantees or marketing, or revenue guarantees with marketing, as a means to attract new service, to support existing service, or to restore lost service.

⁸ See <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP> for applicable conditions and assurances.

The selected communities are: Fairbanks, AK; Bakersfield, CA; Augusta, GA; Sioux City, IA; Shreveport, LA; Lincoln, NE; Farmington, NM; Elmira, NY; Tulsa, OK; Florence, SC; Rapid City, SD; Brownsville, TX; Roanoke, VA; Wenatchee, WA; La Crosse, WI; and Casper, WY.

All of the selected communities are contributing financial resources to their respective grant projects. In addition, all of the selected communities have pledged in-kind contributions in further support of their air service initiatives. The local contributions reflect a commitment that is important to the potential success of the proposed initiatives. Moreover, nearly all of the communities have (1) established robust public-private partnerships to enhance community participation and facilitate access to air services, (2) provided a specific plan and timetable for using their grant funds in a timely manner, and (3) have provided a letter of support from an interested air carrier.

Air Service Development Zone

The statute directs the Department to designate an airport in one community awarded a grant under this program as an “Air Service Development Zone” (ASDZ), and to work with the community or consortium on means to attract business to the area surrounding the airport, to develop land-use options for the area, and to provide data, working with the Department of Commerce and other Federal agencies. 49 U.S.C. § 41743(h). The Department did not receive any applications requesting ASDZ designation.

Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the Solicitation Order that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As done in the past, milestones and progress reporting requirements (modified as discussed below) will be included in the grant agreements. Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. Expenditures incurred by third parties are not directly reimbursable to such third parties under this grant program.⁹ In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid. Communities will be required to comply fully with the terms of their proposals and the grant agreements.

Changes to the Terms and Conditions of Small Community Program Grants

For these FY 2017 grants, we are making several changes designed to facilitate the use of grant funds by the communities selected, and to reduce the regulatory burden on them. These changes are the result of our ongoing experience in administering the Small Community Program, as

⁹ The legal sponsor must have paid all costs associated with eligible invoices, including costs incurred by third parties, prior to seeking reimbursement from the Department.

discussed below, and will be reflected in the grant agreements we enter into with the FY 2017 (and future-year) grant selectees.¹⁰

Duration of Grants

The Department has in past years issued Small Community Program grants for three durations: one year for grants seeking only to perform studies, two years for grants involving marketing, and three years if the grant included a revenue guarantee to an air carrier. We find that longer terms for these grants are warranted, as communities often request an extension in order to achieve the goals they have set in their grant proposals.

Where a community has shown good cause for an extension, because of specific difficulties it has experienced in fulfilling its grant goals in the allotted time period (including, but not limited to, underlying industry factors), we have permitted a one-year extension of its grant, finding that the additional time was consistent with the goals of the SCASDP program and with the public interest.

The repeated requests for grant extensions indicates that the current grant terms are too short, in a significant number of cases, for communities to complete their proposals and to use all or most of the allocated grant funding. Moreover, our current procedures necessitate communities to seek (sometimes more than once) extensions of their grants, an unnecessary burden.

To address this problem, we will make two modifications.

First, for grant agreements issued this year and going forward, we will increase grant durations by one year; thus, two years for grants involving studies, three years for those involving marketing, and four years for those including revenue guarantees.¹¹

Second, we will streamline the process for a community to seek and obtain a first grant extension by allowing it to obtain a self-initiated, automatic one-year extension of its grant if it files with the Department, no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension.¹²

We believe that these measures serve to address the grant-duration issue we have identified, and, as discussed above, that these modifications are necessary to the public interest.

¹⁰ As discussed below, we will also make these changes, to the extent practicable, applicable to holders of prior-year grants.

¹¹ The three-year limitation set forth in section (d)(1) of the SCASDP statute applies only to revenue guarantees. The three-year limitation begins when subsidized service commences.

¹² We are making this automatic first-extension available as well to prior-year Small Community Program grant holders, whose currently-effective grant agreements have not yet reached their initial termination dates.

Reporting Requirements

At present, the grant agreements into which we enter with Small Community Program communities require the communities to file quarterly reports with the Department showing their progress in meeting the milestones of their grant projects.

Experience has shown that these reports are filed more often than necessary for us to monitor the progress of Small Community Program communities' efforts. In our view, switching from a quarterly- to a semi-annual report filing requirement would allow us adequately to track the work done by communities, while, as with the grant duration changes we describe above, reducing the filing burden on the affected communities. Given the public benefits to be achieved with this less-frequent filing schedule, we will make this change in the grant agreements for the FY 2017 and future-year selectees. In addition, we will also make this relief available to all communities bound by currently-effective Small Community Program grant agreements.¹³

ACCORDINGLY,

1. We select the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program as described in this Order;
2. Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also available at <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>). In addition, to the extent that the grant agreement permits expenditure of the awarded Small Community Program funds in any manner that would not be permitted for funds received as part of Federal Aviation Administration's Airport Improvement Program (AIP), such permission is strictly limited to the expenditure of the Small Community Program funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to fully comply with FAA Order 5100.38D and all applicable federal law;
3. Each award recipient must affirm this award by entering into a grant agreement with the Department. Award recipients may not seek to be reimbursed under the Small Community Program until they affirm their grant awards;
4. Each Small Community Program grant holder whose grant agreement has not yet reached its initial termination date may obtain a self-initiated, automatic one-year extension of its grant if it files with the Department (Office of Aviation Analysis, X-55), no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension;
5. We exempt each community holding a currently-effective prior-year Small Community Program grant to relieve it of the provision in section C(4)(a) of its grant agreement that requires it to file reports with the Department on a quarterly basis, if that community instead files the

¹³ Because the quarterly filing requirement is contained in the text of these prior-year grant agreements, and to avoid the need to formally amend those agreements, we will grant these communities, in this order, an exemption from the quarterly filing requirement if they file on the semi-annual dates we are setting.

required reports on a semi-annual basis, on April 15 and October 15 of each year that the grant agreement remains effective; and

6. A copy of this Order will be served on the legal sponsor for each applicant in this proceeding, and on the legal sponsor for each of the communities holding a currently-effective grant awarded in a prior year.

By:

JOEL SZABAT
Deputy Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available
at <http://www.regulations.gov>*

Appendix

Appendix Order 2018-7-10			
State	Community	Federal Amount Awarded	Project Description
AK	Fairbanks	\$750,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Los Angeles, CA and/or Phoenix, AZ. The community seeks to replace services formerly operated to/from other markets. The community notes that significant traffic must now come over Anchorage, and that new non-stop service would improve access to important tourism markets.
CA	Bakersfield	\$500,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Dallas/Ft. Worth, TX, targeting American Airlines. The community states that it is somewhat isolated and has experienced service reductions, and that the proposed service will address these issues. It also notes that the proposed destination is highly attractive to the community's oil and gas industry.
GA	Augusta	800,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Washington, D.C., either to Ronald Reagan Washington National Airport on American Airlines, or to Washington Dulles International Airport on United Airlines. The community states that this service would provide year-round non-stop service to Augusta from its largest origin and destination market, and would also improve connectivity to the northeast United States and for international routes.
IA	Sioux City	650,000	The funding will be used for a revenue guarantee, marketing, and fee waivers for new non-stop service to Denver, CO, on SkyWest/United Express. The community seeks to improve access to the western United States, which currently requires circuitous routings over Chicago, IL, or Dallas/Ft. Worth, TX. The community has arranged for a large amount of local funding to demonstrate the strong community support for the proposal.
LA	Shreveport	\$300,000	The funding will be used for a marketing program to increase the public's awareness of services available at the Shreveport airport. The community states that incumbent air carriers will increase capacity for the summer months, and without increased marketing the seats might not be sold, and, as a result, the community could face service reductions in the future. The community notes that it has lost several funding sources, including closure of a maintenance facility, that could have been used to finance this marketing.

Appendix		Order 2018-7-10	
State	Community	Federal Amount Awarded	Project Description
NE	Lincoln	\$750,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Dallas/Ft. Worth International Airport, with American Airlines. The community states that it has carefully analyzed potential new markets and determined that DFW service will best meet its needs. It believes that adding a major hub will reduce fares and improve access to national markets
NM	Farmington	\$850,000	The funding will be used for a revenue guarantee, marketing, and a market study to support new service on SkyWest Airlines to one of its partner air carrier's hubs at Denver, CO (DEN); Salt Lake City, UT (SLC); Phoenix, AZ (PHX); or Los Angeles, CA (LAX). The community notes that it has lost all air service over the past several years, especially impacting businesses in the resource industry. The community states that it has raised substantial state/local funding, indicating support for the project.
NY	Elmira	\$275,000	The funding will be used for a marketing program to support new service on United Airlines to Newark, NJ, as well as existing services provided by Allegiant Airlines and Delta Air Lines. The community states that support of the new Newark hub is critical to its need for an eastern hub, and notes that multiple companies in the area have indicated support for the proposal and contributed local cash to the endeavor.
OK	Tulsa	\$750,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Seattle, WA, using Alaska Airlines. The community states that its air service has suffered in recent years, resulting in its downgrading to a small hub airport. It states that there is a strong local demand for service to the Pacific Northwest, and that the service will provide attractive connections to points such as Portland, OR and San Francisco, CA.
SC	Florence	\$600,000	The funding will be used for a revenue guarantee and marketing to convert current American Airlines service to Charlotte, NC from Dash-8 turboprop aircraft to regional jets. The community states that American is phasing out its turboprop aircraft, and, absent this grant, the community would lose all access to the national air transportation system. It states that it has worked with American to provide for the continuation of service with the upgraded aircraft.

Appendix		Order 2018-7-10	
State	Community	Federal Amount Awarded	Project Description
SD	Rapid City	\$700,000	The funding will be used for a revenue guarantee, marketing and fee waivers, for new non-stop service to Phoenix Sky Harbor Airport, targeting American Airlines. The community states that high load factors constrain access to western destinations where traffic has been growing. It states that the proposed service will benefit the area's tourism industry, as well as military, government, and educational entities.
TX	Brownsville	250,000	The funding will be used for a marketing program to support one additional daily frequency by United Airlines to Houston, TX. The community states that United has reduced frequencies in the market, resulting in a loss of passengers to other airports. It states that United indicated that it would consider the restoration of the lost frequency contingent on a formal marketing program to support the operation. United filed a letter confirming its position.
VA	Roanoke	\$750,000	The funding will be used for a revenue guarantee, marketing, and fee waivers for new non-stop service to Dallas/Ft. Worth, TX (DFW). The community states that the service will help address high fares and provide new travel options, and notes that its proposal has strong community support, with substantial local cash raised. The community notes that Dallas/Ft. Worth is one of its top unserved markets, and that the service would provide additional access to the west.
WA	Wenatchee	\$750,000	The funding will be used for a revenue guarantee, marketing, and fee waivers for new non-stop service to San Francisco, CA, using SkyWest Airlines. The community states that its only current service is to Seattle, WA, and that the need to connect at Seattle limits Wenatchee's growth potential. The community also states that it has an expanding tech sector, and that the proposed service will thus serve business interests as well as its traditional tourism market.
WI	La Crosse	\$750,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Detroit, MI; Newark, NJ; New York, NY; or Philadelphia, PA; targeting SkyWest Airlines. The community states that it lost air service to Detroit in 2014, and that capacity in other markets has fallen, resulting in high air fares. It states that the proposed service will provide additional connectivity as well as downward pressure on fares.

Appendix Order 2018-7-10			
State	Community	Federal Amount Awarded	Project Description
WY	Casper	\$500,000	The funding will be used for a revenue guarantee and marketing for new non-stop service to Phoenix, AZ or another western hub, targeting SkyWest Airlines. The community states that its current service is limited to SkyWest to Salt Lake City, UT and United Express to Denver, CO, and that it lost service to Las Vegas, NV earlier this year. It states that the proposed new service would provide substantial benefits to its travel and tourism industry.



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 30th day of June, 2016

In the Matter of the

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PROGRAM**

DOCKET DOT-OST-2016-0037

under 49 U.S.C. § 41743 *et seq.*

ORDER AWARDING GRANTS

Summary

By this Order, the U.S. Department of Transportation (the Department) awards nine grants under the Small Community Air Service Development Program (Small Community Program) benefitting communities in seven states to assist with the implementation of the air service initiatives proposed in their grant applications. The communities, the amount of funding awarded to the communities, and brief descriptions of the projects are listed in the Appendix to this Order. Award recipients must affirm their grant awards by entering into grant agreements, obligating the funds, with the Department. Award recipients may not seek to be reimbursed funds under the Small Community Program until they affirm their grant awards.

Background

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. No. 106-181 (2000), established a new pilot program, to be administered by the Department of Transportation, designed to help smaller communities enhance their air service and address issues related to high air fares.¹ AIR-21 authorized the Small Community Program through FY 2003. Vision 100-Century of Aviation Reauthorization Act, Pub. L. No. 108-176 (2003), amended the program, reauthorized it through FY 2008, and eliminated the “pilot” status of the program. The FAA Modernization and Reform Act of 2012 (FAA 2012), Pub. L. No. 112-95 (2012) reauthorized the program. Appropriations are provided for this program for

¹ See Orders 2002-6-14 and 2003-9-14 for a complete description of the history of the Small Community Program.

award selection in FY 2016 pursuant to FAA 2012, the Consolidated Appropriations Act, 2016 (Pub. L. No. 114-113), and the Airport and Airway Extension Act of 2016 (Pub. L. No. 114-141). The Department has up to \$5.15 million available for FY 2016 grant awards to carry out this program.

When selecting applicants to participate in the Small Community Program, the Department is statutorily required, under 49 U.S.C. §41743, as amended by Pub. L. No. 114-113, to apply the following eligibility criteria:

1. (a) The airport serving the community or consortium is not larger than a small hub airport, according to FAA hub classifications effective on the date of service of our Order soliciting proposals in this proceeding (Order 2016-3-32), or
(b) As of calendar year 1997, the airport serving the community or consortium was not larger than a small hub airport;
2. The airport has insufficient air carrier service or unreasonably high air fares;
3. The airport presents characteristics, such as geographic diversity or unique circumstances that demonstrate the need for, and feasibility of, the Small Community Program;
4. An applicant may not receive an additional grant to support the same project;² and
5. An applicant may not receive an additional grant prior to the completion of its previous grant.³

The statute further provides that no more than four communities or consortia of communities, or a combination thereof, from the same state may be selected to participate in the program in any fiscal year, and no more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which the funds are appropriated.

In addition, the law directs the Department to give priority to those communities or consortia of communities⁴ where: (a) air fares are higher than the average air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport revenue sources; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public; (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited; (e) the funds will be used in a timely manner;⁵ and (f) multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.⁶

² However, as stated in our Order Soliciting Small Community Grant Proposals (Order 2016-3-32), previous grant recipients could submit grant proposals and seek funds for new projects. See Order 2016-3-32, p. 4-5, for a discussion on same projects.

³ 49 U.S.C. § 41743(c).

⁴ A consortium of communities is defined as a single entity. 49 U.S.C. § 41743.

⁵ 49 U.S.C. § 41743(c)(5)(E).

⁶ 49 U.S.C. § 41743(c)(5)(F).

The Department is authorized to award grants to communities that seek to provide assistance to:

- An air carrier to subsidize service to and from an underserved airport for a period not to exceed three years;
- An underserved airport to obtain service to and from the underserved airport; and/or
- An underserved airport to implement such other measures to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.⁷

On March 28, 2016, the Department issued an Order Soliciting Small Community Grant Proposals (Solicitation Order) from communities interested in receiving grant funding this year, and requested that such proposals be filed no later than May 2, 2016 (Order 2016-3-32). The Solicitation Order required each applicant to submit a completed Standard Form 424 and a Summary Information schedule to www.grants.gov. Communities were requested to provide information that would help in the consideration of their grant requests, including details about their existing air services, historical air services, current air service needs and deficiencies, a full description of the community's proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations.

Drawing on the Department's learnings and experience from previous years, the Solicitation Order discussed various issues relating to project types and the grant application process, including the sources of local funding, the consideration of in-kind contribution, the use of grant funds, and the eligibility to participate by past grant recipients and communities now receiving subsidized air service under the Essential Air Service (EAS) program. The Solicitation Order further emphasized that communities would be expected to meet the financial-contribution commitments that they include in their proposals.

Subsequent to the issuance of Order 2016-3-32, The Department was able to recover \$150,000 in funds remaining after closeout of prior years' SCASDP projects. In light of this recovery, the Department issued a Notice stating our intent to combine these funds with the total funding available for the FY2016 grant awards announced in Order 2016-3-32, bringing the total available for grant awards in FY 2016 to be up to \$5.15 million.⁸

2016 Grant Applications

In response to the Solicitation Order, the Department received 36 total grant applications from communities in 24 states. Collectively, these communities sought more than \$18.5 million in Federal assistance to support new and ongoing air service development projects. Of the 36

⁷ 49 U.S.C. § 41743(d).

⁸ See Notice dated June 29, 2016, in this Docket. In this Notice, we also stated that the inclusion of this additional funding would not alter any other provisions of Order 2016-3-32; specifically, that funds would be available only for grant awards to qualified applicants who filed by the May, 2, 2016, 5:00 PM EDT deadline set forth in Order 2016-3-32, and that no additional applications could be filed in this Docket as a result of the Notice.

applications, five applications were from communities with small-hub airports and three were from communities now receiving subsidized air service under the Department's EAS program. Three of the 36 applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible in whole or in part for consideration. Of these applications, two were found ineligible because the applicant sought additional funding for the same, or essentially the same, project that was funded in a previous grant. The other was found ineligible due to missing the stated deadline to submit applications as outlined in the Solicitation Order.

As in previous years, this year's eligible applications included proposals for feasibility studies, new or expanded service initiatives, marketing, and assorted combinations thereof. These applicants provided information on historical and current air service and air fare issues facing their communities, the economic benefits of air service, proposed initiatives to remedy air service or air fare problems, and arguments in support of their proposals. Nearly all the communities pledged local cash and/or in-kind contributions from local, state, airport, or private sources to complement their requests for Federal assistance.

The large majority of applicants specified the need to attract new and/or additional air services to their communities. Similar to previous years, a majority of applicants also proposed to implement their projects using revenue guarantees or subsidies, together with a variety of marketing and promotional initiatives. A critical component of most proposals was funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of local airport services. These efforts are directed at publicizing not only the availability of air services, but also the convenience of using the local airport compared to more congested air service hubs or other larger airports in the region. Many applicants argued that certain industry changes – including network rationalization due to air carrier consolidation, phase-outs of smaller regional jets due to higher operating costs, and a pilot shortage constraining the ability of air carriers to enter new markets – made the need for Federal assistance that would help the communities compete for new services and retain current services more critical.

2016 Grant Awards

The Small Community Program is unique in that it encourages and affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities the opportunity to develop and implement air service projects tailored to their individual needs, the program aims to maximize the potential for success in the communities' endeavors. Since the program's inception, the Department has sought to maximize the number of participating communities, promote geographic diversity of the selections, and support a variety of solutions to the problems identified by applicants in order to provide a wide range of approaches for dealing with the challenges faced by similarly-situated communities.

With these considerations in mind, we are selecting nine grant proposals with the objective of entering into grant agreements with the communities identified in the Appendix to this Order. Award recipients must enter into grant agreements with the Department before the recipients may seek to be reimbursed expenses under their Small Community Program projects. In

addition, grant recipients are subject to all grant conditions and assurances required by Federal law, regulations, and executive orders.⁹ The Department's grant agreements will be transmitted to the selected communities subsequent to the issuance of this Order.

The proposals we selected meet the purpose of the statute, and provide opportunities to test a variety of approaches to improving small community air service in many regions of the country. The attached Appendix provides a brief description of each project and the amount of funding each community requested. As an overview, all of the awards are being made to communities proposing revenue guarantees, or revenue guarantees with marketing support, as a means to attract new service or to restore lost service.

The selected communities are: Bullhead City, AZ; Inyokern, CA; Stockton, CA; Hailey, ID; Billings, MT; Missoula, MT; Santa Fe, NM; Amarillo, TX; and Port Angeles, WA.

All of the selected communities are contributing financial resources to their respective grant projects and have provided a letter of support from an interested air carrier. In addition, all of the selected communities have pledged in-kind contributions in further support of their air service initiatives. The local contributions reflect a commitment that is important to the potential success of the proposed initiatives. Moreover, nearly all of the communities have (1) established robust public-private partnerships to enhance community participation and facilitate access to air services, and (2) provided a specific plan and timetable for using their grant funds in a timely manner.

Air Service Development Zone

The statute directs the Department to designate an airport in one community awarded a grant under this program as an "Air Service Development Zone" (ASDZ), and to work with the community or consortium on means to attract business to the area surrounding the airport, to develop land-use options for the area, and to provide data, working with the Department of Commerce and other Federal agencies. 49 U.S.C. 41743(h). The Department did not receive any applications requesting ASDZ designation.

Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the Solicitation Order that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As done in the past, milestones and progress reporting requirements will be included in the grant agreements. Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid.

⁹ See <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP> for applicable conditions and assurances.

Communities will be required to comply fully with the terms of their proposals and the grant agreements.

ACCORDINGLY,

1. We select the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program as described in this Order;
2. Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also available at <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>). In addition, to the extent that the grant agreement permits expenditure of the awarded Small Community Program funds in any manner that would not be permitted for funds received as part of Federal Aviation Administration's Airport Improvement Program (AIP), such permission is strictly limited to the expenditure of the Small Community Program funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to fully comply with FAA Order 5100.38D and all applicable federal law;
3. Each award recipient must affirm this award by entering into a grant agreement with the Department. Award recipients may not seek to be reimbursed under the Small Community Program until they affirm their grant awards; and
4. A copy of this Order will be served on the legal sponsor for each of the communities awarded grants.

By:

JENNY T. ROSENBERG
Acting Assistant Secretary for
Aviation and International Affairs

(SEAL)

*An electronic version of this document is available
at <http://www.regulations.gov>*

Appendix

Appendix Order 2016-6-21			
State	Community	Federal Amount Awarded	Project Description
Arizona	Bullhead City	\$750,000	The funding will be used for a revenue guarantee and marketing for new scheduled non-stop service to Denver, CO. The community seeks to meet the needs of its tourism and business industries for improved connectivity, as well as to provide better community access to the national air transportation system.
California	Inyokern	\$450,000	The funding will be used for a revenue guarantee, start-up costs and an associated marketing program to recruit and support Mokulele Airlines to re-introduce commercial air service into the community. The community seeks to alleviate the effects of the November, 2013 termination of scheduled service between Inyokern and Los Angeles, CA. The community states that replacement service to Los Angeles by Mokulele will address its need of convenient connections to major markets, in particular to its biggest market of Washington, D.C.
California	Stockton	\$650,000	The funding will be used for a revenue guarantee, marketing, and fee waivers to recruit, initiate and support new daily service between Stockton Metropolitan Airport and Los Angeles, CA, targeting SkyWest Airlines. The community seeks service beyond the point-to-point services it currently has; in particular what it views as much-needed access to a major hub. The community states that the availability of Los Angeles service will have a major and positive impact on its economy.
Idaho	Hailey	\$500,000	The funding will be used for a revenue guarantee and associated marketing program to recruit and support new non-stop service to Portland, OR, using Alaska Airlines. The community seeks to reverse reductions in air service over the past decade, to provide better access to the tourism industry in Sun Valley, and to meet what it states is unmet demand for Portland service.
Montana	Billings	\$750,000	The funding will be used for a revenue guarantee and marketing program for new non-stop air service to Dallas/Ft. Worth, TX, targeting American Airlines. The community states that it is isolated and has experienced service reductions, and seeks to address these issues with its proposed new service which, it states, will benefit local businesses and industries, and in particular the oil and gas industry.

Appendix		Order 2016-6-21	
State	Community	Federal Amount Awarded	Project Description
Montana	Missoula	\$600,000	The funding will be used for a revenue guarantee and marketing program for new service from Missoula International Airport to the southern United States, specifically targeting the North Texas region. In light of its isolation and dependence on air transportation, the community seeks to address what it sees as a lack of adequate service to the southern United States with its proposal. The community notes that Missoula-Texas passenger numbers have increased greatly in recent years, and that additional service is needed to meet this demand.
New Mexico	Santa Fe	\$500,000	The funding will be used for a revenue guarantee and marketing support to initiate service to a westbound hub to replace service to Los Angeles, CA, which was lost in 2015. The community seeks service to remedy the loss of this western hub, and the resulting negative impact on its economy (which relies heavily on tourism), with new Phoenix, AZ, service, operated by American Airlines.
Texas	Amarillo	\$750,000	The funding will be used for a revenue guarantee to secure twice-daily regional jet service between Amarillo and Phoenix, AZ, using American Airlines/SkyWest Airlines. The community seeks this service to alleviate the current need of many of its travelers to backhaul over Dallas/Ft. Worth, TX, in order to reach destinations in the western United States.
Washington	Port Angeles	\$200,000	The funding will be used for a revenue guarantee for new scheduled air service between Port Angeles and Seattle, WA. The community seeks to restart air service in the city-pair market that was terminated in 2014, forcing travelers to make the journey by road/ferry, or by a longer road trip. The community states that restored air service is necessary for the continued development of the area's economy.

U.S. Transportation Secretary Foxx Announces \$5.5 Million in Grants to Small Communities to Help Develop and Improve Local Air Service

Tuesday, September 15, 2015

WASHINGTON – U.S. Transportation Secretary Anthony Foxx today announced that the Department of Transportation would provide \$5.5 million to help 11 small communities in 11 states develop solutions to improve their local air service needs under the Small Community Air Service Development Program (SCASDP).

This year, the Department received 49 eligible applications from 29 states. The communities that will receive grant awards this year are: Tallahassee, Florida (\$750,000); Salmon, Idaho (\$150,000); Presque Isle, Maine (\$250,000); Traverse City, Michigan (\$750,000); Great Falls, Montana (\$385,000); Fargo, North Dakota (\$500,000); Redmond, Oregon (\$500,000); Sioux Falls, South Dakota (\$500,000); College Station, Texas (\$475,000); Pasco, Washington (\$750,000); and Riverton, Wyoming (\$481,810).

Appendix Order 2015-9-8			
State	Community	Federal Amount Awarded	Project Description
Florida	Tallahassee	\$750,000	The funding will be used for a revenue guarantee to attract new service between Tallahassee and Houston, TX, targeting United Airlines. The community seeks to address recent decreases in capacity and higher fares, and to provide additional on-line domestic and international connecting opportunities at the Houston hub.
Idaho	Salmon	\$150,000	The funding will be used for a revenue guarantee and marketing support to re-establish scheduled service between Salmon and Boise, ID, targeting Gem Air. The community seeks to address its economic isolation, stating that the nearest scheduled air service is 150 miles away; and that the proposed service would alleviate the long driving distances the community faces to reach this service, which is especially an issue in the winter months.
Maine	Presque Isle	\$250,000	The funding will be used for marketing support of the existing Essential Air Service (EAS) between Presque Isle and Boston, operated by PenAir. The community seeks to establish a marketing effort to alleviate confusion for passengers booking connections through Boston, as PenAir does not currently have code-share or interline agreements with the hub carriers operating at Boston Logan International Airport.
Michigan	Traverse City	\$750,000	The funding will be used for a revenue guarantee and marketing campaign for new service to a hub in the southern United States, targeting Charlotte, NC, Dallas/Ft. Worth, TX, or Houston, TX. In light of its geographic isolation and its desire to meet the needs of its tourism industry for improved connectivity, as well as to address high fares, the community seeks better access to markets in the southern United States through its proposed service.
Montana	Great Falls	\$385,000	The funding will be used for a revenue guarantee to attract new service between Great Falls and Chicago's O'Hare International Airport, targeting United Airlines. The community seeks this service to provide increased capacity at Great Falls and to help prevent circuitous connections for passengers traveling to the Midwest and to the eastern United States, providing material benefits to the community.

Appendix Order 2015-9-8			
State	Community	Federal Amount Awarded	Project Description
North Dakota	Fargo	\$500,000	The funding will be used for a revenue guarantee and marketing support to attract new service between Fargo and Seattle, WA, targeting SkyWest Airlines. The community states that in light of recent service cessations, the proposed service would provide the only link between Fargo and the western United States, benefitting the community generally, and specifically local businesses which have headquarters in Seattle.
Oregon	Redmond	\$500,000	The funding will be used for a revenue guarantee and marketing support to attract new service between Redmond and Phoenix's Sky Harbor Airport, targeting American Airlines. The community seeks to provide better access to the southwestern United States, now reachable only by less-convenient, circuitous connecting service. The community states that the service will benefit a broad segment of the traveling public, including its local businesses (including the tourism industry) and educational institutions.
South Dakota	Sioux Falls	\$500,000	The funding will be used for a revenue guarantee to attract new service between Sioux Falls and Seattle, WA, targeting SkyWest Airlines, Alaska Airlines, or Delta Air Lines. The community seeks to address recent and imminent service reductions which it believes will leave it with inadequate westbound services to meet its needs.
Texas	College Station	\$475,000	The funding will be used for a revenue guarantee and marketing support to attract new service between College Station and Atlanta, GA. The community seeks better access to the national air transportation system, with its proposed service providing its only route to a destination outside of Texas. The community states that it has experienced a rising population but decreasing air service, and that the new service would benefit the community as a whole, and especially Texas A&M University, which is located near College Station's airport.
Washington	Pasco	\$750,000	The funding will be used for a revenue guarantee and marketing support to attract new service between Pasco and Los Angeles, CA, targeting SkyWest Airlines. The community seeks to address limited capacity and high fares, and to provide what it views as much-needed connections to and from a major hub for business travelers, benefitting numerous employers in the region.

Appendix Order 2015-9-8			
State	Community	Federal Amount Awarded	Project Description
Wyoming	Riverton	\$481,810	The funding will be used for a revenue guarantee to attract new service to a hub airport. The community states that it is extremely isolated, being 240 miles from the nearest hub airport; that current services by its sole air carrier are inadequate to meet its needs; and that the proposed service would benefit local businesses and promote job growth.

Tuesday, September 30, 2014

U.S. Transportation Secretary Anthony Foxx today announced that the Department of Transportation would provide \$7 million from the Small Community Air Service Development Program to help 16 communities in 14 states develop their own solutions to local air service needs.

The communities receiving grant awards this year are:

Montgomery, Ala. (\$200,000)
Redding, Calif. (\$450,000)
Panama City, Fla. (\$400,000)
Columbus, Ga. (\$750,000)
Boise, Idaho (\$700,000)
Moline, Ill. (\$500,000)
Columbus, Miss. (\$750,000)
Gulfport-Biloxi, Miss. (\$350,000)
Bozeman, Mont. (\$750,000)
Roswell, N.M. (\$450,000)
Watertown, N.Y. (\$235,000)
Rapid City, S.D. (\$325,000)
Yakima, Wash. (\$290,000)
Eau Claire, Wis. (\$150,000)
Cheyenne, Wyo. (\$200,000)
Sheridan, Wyo. (\$500,000).

Appendix Order 2014-9-22			
State	Community	Federal Amount Awarded	Project Description
Alabama	Montgomery	\$200,000	The funding will be used for a marketing campaign to promote existing air service at Montgomery Regional Airport, an airport with three scheduled nonstop flights. The community believes that the marketing campaign is necessary to strengthen the airport brand and promote awareness in the catchment area, whose residents otherwise have to travel more than two hours for medium or large hub access. This will lead, the community hopes, to increased enplanements and more service opportunities in the future.
California	Redding	\$450,000	The funding will be used for a revenue guarantee for SkyWest Airlines, the sole air service provider at Redding Municipal Airport offering three daily roundtrips to San Francisco International Airport, with the objective of upgrading the existing turboprop aircraft to regional jets. The community is concerned that the industry-wide reduction of smaller turboprop service puts its air service at risk, and is hoping to preserve the service as well as offer its air travelers increased seat capacity.
Florida	Panama City	\$400,000	The funding will be used to provide marketing support for new daily JetBlue Airways service between Northwest Florida Beaches International Airport and John F. Kennedy International Airport. With the new nonstop service to New York, a top unserved O&D market for the catchment area, the community seeks to broaden the air carrier base at the airport and provide downward fare pressure.
Georgia	Columbus	\$750,000	The funding will be used to provide a revenue guarantee and marketing support to attract a second air carrier to Columbus Airport, targeting American Airlines (AA) service to Charlotte Douglas International Airport. The community seeks the new service to bring additional capacity to the airport following the cancellation of AA's service to Dallas-Ft. Worth International Airport and the subsequent loss of 49% of the airport's capacity. The community believes the new service will help reduce fares and benefit local air travelers who would otherwise need to drive about 90 miles to the nearest large hub airport.
Idaho	Boise	\$700,000	The funding will be used to provide a revenue guarantee and marketing support for new service from Boise Airport to an East Coast hub, targeting Delta Air Lines to Hartsfield-Jackson Atlanta International Airport. The community seeks to increase capacity at the airport and address an air service access deficiency to the commercial and high-tech centers on the East Coast, with which the community states it has increasing economic ties.

Appendix Order 2014-9-22			
State	Community	Federal Amount Awarded	Project Description
Illinois	Moline	\$500,000	The funding will be used to provide a revenue guarantee and marketing support for new service from the Quad City International Airport, targeting nonstop service to the Washington, D.C. area. The Quad Cities community, facing declining enplanements and capacity at the airport after AirTran's departure from the market, believes nonstop service to Washington, D.C. will strengthen and increase economic development efforts and help meet consumer demand for connecting opportunities on the East Coast.
Mississippi	Columbus	\$750,000	The funding will be used to recruit new service from the Golden Triangle Regional Airport to a westbound air gateway using revenue guarantees, start-up cost offsets, and marketing, focusing on service to Dallas-Ft. Worth International Airport, Houston George Bush Intercontinental Airport, or Denver International Airport. The community seeks to address the lack of direct westbound access, as all travel to points in the Western U.S. require lengthy backtracking connections over Atlanta.
Mississippi	Gulfport	\$350,000	The funding will be used to provide a revenue guarantee and marketing support for new low-fare service at the Gulfport-Biloxi Regional Airport to Minneapolis-Saint Paul International Airport, targeting Sun Country Airlines. The community seeks to provide lower fares and access to underserved markets with the new service, as well as reduce the decline in traffic at the airport.
Montana	Bozeman	\$750,000	The funding will be used for a revenue guarantee and marketing support to attract new service from Bozeman Yellowstone International Airport (BZN) to Dallas-Ft. Worth International Airport, targeting American Airlines. The community states that high load factors on flights from Salt Lake City and Denver connecting through BZN mean that local passengers have limited seating availability, and the community believes the additional capacity from the new service will stimulate inbound passenger travel and help reduce air fares.
New Mexico	Roswell	\$450,000	The funding will be used for a revenue guarantee and marketing support to acquire nonstop westbound service from the Roswell International Air Center (ROW) to a major connecting hub, targeting service by American Airlines to Phoenix-Sky Harbor International Airport. The community states that, from ROW, Southeast New Mexico air travelers endure circuitous routing to western markets, and thus longer travel times and higher travel costs, to fly local, or they drive significant distances to alternative airports. The community believes the new service will provide additional connecting opportunities at a major hub, as well as add capacity at the airport and address passenger demand for westbound travel.

Appendix Order 2014-9-22			
State	Community	Federal Amount Awarded	Project Description
New York	Watertown	\$235,000	The funding will be used for marketing support of the existing Essential Air Service (EAS) at Watertown International Airport, which is one scheduled nonstop flight to Philadelphia International Airport provided by American Airlines. The community seeks to continue the trend of improving load factors and reduce leakage with the marketing support, believing that the community outreach activities will enhance the airport's brand and increase enplanements.
South Dakota	Rapid City	\$325,000	The funding will be used to provide marketing support for the expansion to daily, year-round service of current seasonal, Saturday-only service to Hartsfield-Jackson Atlanta International Airport on Delta Airlines. The community believes the improved air service will increase capacity at the Rapid City Regional Airport and reduce the rate at which the airport's average fare increases, benefiting area air travelers who live 390 miles or more away from major metropolitan areas.
Washington	Yakima	\$290,000	The funding will be used to provide a revenue guarantee and marketing support for new daily service from Yakima Air Terminal-McAllister Field to Portland International Airport (PDX), as well as marketing and traffic studies to increase demand for the existing Alaska Airlines service. The community is geographically isolated, surrounded by mountains that make surface transportation difficult in the winter, and the airport is experiencing reduced scheduled frequencies. The community believes the new service will address passenger demand for service to PDX, and the marketing will help increase enplanements and support the continuation of its existing Alaska Airlines service to Seattle-Tacoma International Airport.
Wisconsin	Eau Claire	\$150,000	The funding will be used for a marketing project to build awareness of the existing EAS service currently provided at Chippewa Valley Regional Airport by SkyWest Airlines to Chicago O'Hare International Airport. The community seeks to retain and increase traffic at the airport, while reducing leakage.
Wyoming	Cheyenne	\$200,000	The funding will be used to provide a revenue guarantee and marketing support for new nonstop air service from Cheyenne Regional Airport to a large hub airport. The community seeks to provide reliable air service for local air travelers in the catchment area of the state capitol. The community believes it is at risk for losing air service, given the rising air fares and reduced frequency and capacity at the airport. With new air service, the community hopes to meet passenger demand for service to a large hub while increasing local utilization of the airport and pressuring air fares downward.

Appendix		Order 2014-9-22	
State	Community	Federal Amount Awarded	Project Description
Wyoming	Sheridan	\$500,000	The funding will be used to provide a revenue guarantee and marketing support for new nonstop air service from Sheridan County Airport to a large hub. The community seeks reliable air service for local air travelers who are more than a six-hour drive to either a large hub or an airport offering substantial low-fare service, and who are enduring fluctuating frequencies with the current service offered at the county airport. The community believes new air service would improve passenger retention at the airport and help reduce air fares.

2013 SCASDP Funded Project				Appendix
State	Community	Federal Amount Requested	Project Description	Basis for Selection
AK	Pelican Consortium	\$300,000	Market for existing EAS service.	This application aligns with priority and secondary selection criteria. The project aligns with the timely use of funds and public-private partnership priority criteria. The community has a defined timeline and several partners are in place to support the project. The proposed project will increase awareness for the communities, whose access to the national air transportation system is limited. It meets the secondary criterion of location as the communities are geographically isolated and unique, attributes that limit their air service access.
CA	Oxnard/Ventura	\$500,000	Revenue guarantee with marketing to restore air service to one of the airport's top 10 markets. Targeted Las Vegas, Phoenix, or San Francisco Bay Area.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and material benefits priority criteria as the community is contributing 16.7% of local funding, which would help in efforts to restore air service. Many local businesses and universities demonstrated support for the air service project, as did evidence of a growing population. In addition, the project aligns with the secondary criteria as the community has recently completed a study determining its top ten markets and the community has a letter of support from Allegiant.
CO	Gunnison	\$350,000	Revenue guarantee with marketing for summer service to Houston, Dallas, or Phoenix.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution priority criterion as the community has a strong match of 50%, and the community has 10 percent higher-than-average air fares. In addition, the project aligns with the secondary criteria as the community has letters of support from United and US Airways.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
GA	Savannah	\$500,000	Revenue guarantee with marketing support for a low-fare carrier. Targeting JetBlue Airways to Boston.	This application aligns with several priority and secondary selection criteria. The project aligns with the higher-than-average air fares and local contribution priority criteria because the fares at the airport are 14 percent higher than the national average, and the community is contributing 42.9% towards the project. In addition, the project aligns with the secondary criteria because there is a very strong public-private partnership that will be important to ensuring the success of the program, and the community received a letter of support from JetBlue.
ID	Hailey	\$500,000	Revenue guarantee with marketing to secure nonstop eastern hub connections. Targeting United Airlines to Denver.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and public-private partnership priority criteria because the community is contributing 24.7% towards the project, and the community has well-established partners in place to help ensure success. In addition, the project aligns with the secondary criteria as the community has a letter of support from United.
ID	Idaho Falls	\$500,000	Revenue guarantee with marketing for air service to Minneapolis/St. Paul.	This application aligns with several priority and secondary selection criteria. The project will provide material benefits under the priority criteria, as the community lacks east-bound air service. In addition, the community is geographically isolated, and the community has a letter of support from Delta Air Lines, both of which align with the secondary criteria.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
IN	Fort Wayne	\$600,000	Revenue guarantee and marketing to support new service to Philadelphia, targeting US Airways.	This application aligns with several priority criteria. The project aligns with the local contribution, material benefits, and timely use of funds priority criteria. The community has a strong funding match of 70.9%, is targeting East Coast air service that would materially benefit businesses, and the community provided a clearly-defined timeline and project plan.
MA	Worcester	\$350,000	Marketing support for new JetBlue service that starts in November 2013.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution, public-private partnership, and material benefits priority criteria because the community is contributing 37.5% towards the project, has an established public-private partnership with funding from the State and local governments, and the community currently does not have air service. In addition, the project aligns with the secondary criteria as the community has a letter of support from JetBlue.
ME	Sanford	\$33,180	Study to address public transportation deficiencies to nearby airports.	This application aligns with the material benefits priority selection criterion because the study will allow the community to better understand its transportation challenges and deficiencies in relation to nearby airports.
MO	Springfield	\$450,000	Revenue guarantee with marketing to establish new air service to Charlotte.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and material benefits priority criteria as the community is contributing 15.1% towards the project, and the community received many letters of support from businesses. In addition, the project aligns with the secondary criteria as the community has a letter of support from US Airways.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
MS	Mississippi Consortium	\$120,000	Marketing for existing EAS service on Silver Airways to Atlanta.	This application aligns with several priority selection criteria. The project aligns with the local contribution and higher-than-average air fare priority criteria because the communities are providing 23.1% towards the project and because air fares are 30 percent higher than the national average. In addition, marketing will assist these communities as they all had a carrier change last year.
NC	Wilmington	\$750,000	Revenue guarantee with marketing to restore westbound connections, targeting American Airlines to Chicago O'Hare.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and public-private partnership priority criteria as the community is contributing 18.8% towards the project, and the community demonstrated a strong public-private partnership. In addition, the project aligns with the secondary criterion of participation as the community has broad community support for its proposal.
ND	Bismarck	\$500,000	Revenue guarantee with marketing for service to Dallas/Fort Worth and/or Chicago.	This application aligns with several priority and secondary selection criteria. The project aligns with the higher-than-average air fares, local contribution, and material benefits priority criteria because the fares at the airport are 14 percent higher than the national average and the community is contributing 45.5% local funding towards the project. In addition, the community has experienced population growth as a result of the growth in the energy industry. Therefore, the proposed project would materially benefit the traveling public.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
NE	Lincoln	\$750,000	Revenue guarantee and marketing support for service to Atlanta, targeting Delta.	This application aligns with several priority and secondary criteria. The community has higher-than-average airfares and it has provided financial support for the project, factors that align with the priority selection criteria. In addition, the project aligns with the secondary criteria as Delta provided a letter of support.
NY	Plattsburgh	\$200,000	Marketing for existing EAS service.	This application aligns with with several priority criteria. The project aligns with the local contribution and public-private partnership priority criteria because the community is contributing 20% towards the project, and the community has demonstrated a committed public-private partnership.
OK	Lawton	\$195,000	Marketing of existing air service to increase enplanements.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution, higher-than-average air fare, and public-private partnership priority criteria because the community is providing 16.2% towards the project, air fares are 20 percent higher than the national average, and the community has demonstrated a strong public-private partnership. In addition, the project aligns with the secondary criterion of participation as the community has broad support for its proposal.
OK	Stillwater	\$447,000	Revenue guarantee for first service to Dallas/Fort Worth.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and public-private partnership priority criteria as the local community and State are contributing 88.3% towards the project to establish air service for the community. In addition, the project aligns with the participation secondary criterion as the community has broad support for its proposal.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
OR	Klamath Falls	\$135,000	General airport marketing to increase enplanements and to inform passengers of airport name change.	This application aligns with several priority and secondary selection criteria. The project aligns with the local contribution and public-private partnership criteria as the community is contributing 12.9% towards the project, and it has established a strong partnership with participation from many public and private entities that have developed a strategic plan. In addition, the project aligns with the secondary criteria of participation and innovation as the community has broad support for its proposal and it developed an innovative marketing campaign.
PA	Wilkes-Barre/Scranton	\$575,000	Start-up cost offsets and marketing to attract new air service.	This application aligns with several priority and secondary criteria. The project aligns with the local contribution and higher-than-average air fare priority criteria because the community is contributing more than 22% towards the project and its airfares are above the national average. The project aligns well with the secondary criteria, as Allegiant, Delta, and US Airways provided letters of support for the project.
TX	Del Rio	\$500,000	Revenue guarantee to restore air service. Targeting American Eagle to Dallas/Fort Worth.	This application aligns with several priority and secondary selection criteria. The local cash contribution of 24.6% would help to restore air service at the community and aligns with the local contribution priority criterion. The community has established a strong public-private partnership with almost 40 members, who committed funding to the local priority contribution. In addition, the project aligns with the secondary criteria as the community has a letter of support from American Airlines, and the community is geographically isolated.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
TX	McAllen	\$750,000	Revenue guarantee with marketing for non-stop service to Denver.	This application aligns with several priority and secondary criteria. The project aligns with the airfares priority selection criterion as its airfares are higher than the national average and one of its targeted carriers is a low-fare carrier. The community is also supporting the project by contributing more than 10% towards the project cost. It aligns with the secondary criteria because the project received a letter of support from Frontier Airlines.
VA	Richmond	\$750,000	Revenue guarantee with marketing to gain westbound air service, targeting Denver and Salt Lake City.	This application aligns with several priority criteria. The project aligns with the material benefits and local contribution priority criteria because the proposed project will serve a geographic area currently lacking westbound air service, and the community is contributing 6.7% towards the project. The application is also supported by a major carrier, aligning with the secondary criteria.
WA	Wenatchee	\$200,000	Marketing program to bolster enplanements on existing Alaska Horizon service to Seattle/Tacoma.	This application aligns with several priority and secondary criteria. The project aligns with the local contribution priority criteria because the community is contributing 20% towards the project. In addition, the project aligns with innovation and location secondary criteria as the community proposes innovative marketing concepts and the community is geographically isolated.

State	Community	Federal Amount Requested	Project Description	Basis for Selection
WI	La Crosse	\$750,000	Revenue guarantee with marketing for service to Dallas/Fort Worth.	This application aligns with several priority and secondary criteria. The project aligns with the local contribution, higher-than-average air fares, and material benefits priority criteria as the community is contributing more than 15% towards the project, and its airfares are 20 percent above the national average. In addition, the community will receive material benefits by adding a new hub destination to a geographic area not represented by its current air service offerings.
WV	Charleston	\$700,000	Revenue guarantee with marketing and/or a start-up cost offset for nonstop air service to Orlando.	This application aligns with several priority and secondary criteria. The project aligns with the local contribution and public-private partnership priority criteria. The community is contributing more than 13% towards the project and has a good public-private partnership. The project aligns with the secondary criteria as Allegiant provided a letter of support.

FY2012 Small Community Air Service Development Program (SCASDP) Grant Selections

Final List of Recipients

STATE	COMMUNITY	GRANT AMOUNT
AR	Bentonville/NW Arkansas	\$950,000
CA	Arcata-Eureka	\$750,000
CA	Santa Maria	\$490,000
CO	Telluride	\$500,000
FL	Punta Gorda	\$140,000
FL	Sarasota-Bradenton	\$500,000
FL	St. Augustine	\$250,000
IA	Sioux City	\$160,000
ID	Twin Falls	\$500,000
IL	Bloomington-Normal	\$500,000
IL	Champaign-Urbana	\$500,000
IL	Springfield	\$250,000
KS	Topeka	\$950,000
MN	Rochester	\$500,000
MS	Tupelo	\$75,000
MT	Butte	\$150,000
MT	Kalispell	\$200,000
NC	Asheville	\$300,000
NM	Los Alamos	\$272,000
OH	Youngstown	\$780,000
OR	Medford	\$150,000
OR	Pendleton	\$50,000
OR	Redmond	\$500,000
PA	Williamsport	\$500,000
PR/RI	Block Island RI-Culebra Consortium	\$900,000
TX	Corpus Christi	\$300,000
UT	Ogden	\$200,000
UT	St. George	\$550,000
VA	Newport News	\$950,000
VI	St. Croix	\$300,000
VT	Burlington	\$450,000
WA	Walla Walla	\$250,000

STATE	COMMUNITY	GRANT AMOUNT
WY	Casper	\$100,000
	TOTAL	\$13,917,000

FY2011 Small Community Air Service Development Program (SCASDP) Grant Selections

Final List of Recipients

	COMMUNITY	STATE	GRANT AMOUNT
1	Flagstaff	AZ	\$800,000
2	Crescent City	CA	\$200,000
3	Santa Rosa	Ca	\$650,000
4	Loveland	CO	\$221,500
5	Dubuque	IA	\$500,000
6	Pocatello	ID	\$500,000
7	Evansville	IN	\$500,000
8	South Bend	IN	\$750,000
9	Pikeville	KY	\$750,000
10	Baton Rouge	LA	\$340,000
11	Auburn	ME	\$600,000
12	Escanaba	MI	\$72,500
13	Kalamazoo	MI	\$500,000
14	Manatee	MI	\$50,000
15	St. Cloud	MN	\$750,000
16	Bozeman	MT	\$950,000
17	Fargo	ND	\$750,000
18	Grand Forks	ND	\$300,000
19	Albany	NY	\$700,000
20	Toledo	OH	\$750,000
21	North Bend	OR	\$550,000
22	Harrisburg	PA	\$500,000
23	Latrobe	PA	\$200,000
24	Tri-Cities (Bristol-Kingsport-Johnson City)	TN	\$250,000
25	San Angelo	TX	\$500,000
26	Lynchburg	VA	\$700,000
27	Shenandoah Valley	VA	\$150,000
28	Spokane	WA	\$950,000
29	Green Bay	WI	\$500,000
	TOTAL		\$14,984,000