



August 4, 2020

The Honorable Nancy Pelosi
Speaker, United States House of
Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader, United States House of
Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader, United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
Democratic Leader, United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear House Speaker Pelosi, Senate Majority Leader McConnell, House Republican Leader McCarthy, and Senate Democratic Leader Schumer:

As you draft the latest federal response to the COVID-19 pandemic, we urge you to include additional funding and flexibility to the Essential Air Service (EAS) program in the final legislation. We greatly appreciate the additional \$75 million in the draft Senate Coronavirus Response proposal in addition to the \$56 million provided in the Coronavirus Air, Relief, and Economic Security (CARES) Act. However, the impact of COVID-19 on the program is not only limited to a funding shortfall. We also urge you to temporarily suspend enforcement of the eligibility criteria for at least the current fiscal year. And, if necessary, temporarily allow new airports to enter the EAS program to prevent communities across the country from losing all air service.

According to the Department of Transportation (DOT), approximately 170 communities in 36 states and territories throughout the country participate in the EAS program. Airports that participate in the program act as economic generators for the entire region and will be critical for these communities' economic recoveries from COVID-19. The program is a proven economic multiplier with a very high ROI for each dollar spent. In 2017, a study by Intervistas Consulting demonstrated that commercial passenger service at existing EAS airports carried an economic impact of \$2B. In 2017, a Congressionally mandated DOT Working Group on Small Community Air Service¹ detailed community studies showing local annual, EAS-driven payroll averaged \$1.1 million and total annual local economic output averaged \$4.1 million.

¹ *Report of the Working Group On Improving Air Service to Small Communities*
<https://ci.pierre.sd.us/DocumentCenter/View/1679/DOT-Working-Group-on-Small-Community-Air-Service-Report?bidId=>

EAS airports must meet yearly eligibility criteria related to passenger subsidy levels and minimum enplanements among other items to remain in the program. As you are well aware, COVID-19 has caused an overwhelming drop in passenger demand, leading to fewer enplanements, which in turn has increased per-passenger subsidy levels because there are less passengers to support the flight on their own. For this reason, it is critical that Congress temporarily suspend eligibility criteria related to these metrics for at least the current fiscal year. No community should lose their status in the EAS program because of factors directly attributable to the pandemic. Specifically, we urge the suspension of the requirements in 49 U.S.C. §§ 41731 through 41742 : (1) an airport must have a minimum of 10 daily enplanements; (2) limiting an airport located within the contiguous 48 states from receiving a per-passenger subsidy exceeding \$200 unless the community is more than 210 miles from the nearest large or medium hub airport; and (3) limiting an airport located within the contiguous 48 states from receiving a per-passenger subsidy exceeding \$1,000 per passenger.

Lastly, DOT's continuation of air service order² will expire on September 30th. Major airlines have already announced tens of thousands of furlough warnings along with planned capacity reductions across their systems. Like the airlines, large and small airports are being adversely impacted by the precipitous drop in passengers and revenue due to the coronavirus. While it will likely take years for the aviation industry to fully recover, we expect small community air service will be particularly hard hit. According to the DOT Working Group on Small Community Air Service, between 2007 and 2016, as the industry grappled first with the Great Recession and next with workforce shortages, the impact on air service was sharply uneven between small and large communities. The Working Group found that non-hub and small-hub airports saw departures reduced by a factor *five times worse* than reductions at large hub airports. During the same period, smaller communities lost more than 31% of their scheduled departures and more than 50 airports lost scheduled air service altogether. Given that the impact of the pandemic on our economy, demand for air travel, and on the airline industry is magnitudes greater than the Great Recession, we urge you to temporarily allow airports in the contiguous 48 states that would otherwise lose all their air service to join the EAS program. Air service facilitates and enhances commerce. We cannot imperil the economic recovery of small communities across the country by allowing them to be disconnected from the global transportation system when they need it the most.

We appreciate your strong support for the EAS program and look forward to continuing to work with you to support the economic recovery of small communities across the country.

Sincerely,

Airports Council International – North America
American Association of Airport Executives
National Association of Counties
National Association of State Aviation Officials
Regional Airline Association

² DOT Continuation of Certain Air Service Final Order: <https://www.transportation.gov/sites/dot.gov/files/2020-04/CARES%20Final%20Order%20FINAL.PDF>