Order 2026-09-1
Served: September 17, 2026

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

Issued by the U.S. Department of Transportation
on the 17th day of September, 2026

| In the Matter of the<br><br>**SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM**<br><br>under 49 U.S.C. § 41743, *et seq.* | **DOCKET DOT-OST-2025-2316** |
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## ORDER AWARDING GRANTS

### Summary

By this Order, the U.S. Department of Transportation (Department) awards fourteen grants under the Small Community Air Service Development Program (SCASDP) benefitting communities in 14 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 SCASDP until grant awards are issued and dually signed and may not have more than one active SCASDP grant at any time.[1]

### Background

SCASDP 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), the FAA Reauthorization Act of 2018 (Pub. L. No. 115-254) (FAA 2018), and the FAA Reauthorization Act of 2024 (Pub. L. No. 118-63) (FAA 2024). Authorization for this program is codified at 49 U.S.C. § 41743.

[1] For further information, see Order 2026-3-18, p.7.

SCASDP 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) 2024 pursuant to the Consolidated Appropriations Act, 2024 (Pub. L. No. 118-42) and the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. No. 119-4).

When selecting applicants to participate in SCASDP, the Department is statutorily[2] 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'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 SCASDP; and,
4. An applicant may not receive an additional grant to support the same project more than once in a five-year period, except in certain circumstances.[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.[4]

In addition, the statute directs the Department to give priority to those communities or consortia of communities[5] where: (a) air fares are higher than the average air fares for all communities; (b) the community has demonstrated support from at least one air carrier to provide service; (c) the community or consortium will provide a portion of the cost of the activity from local sources other than airport revenues; (d) the community or consortium has established, or will establish, a public-private partnership to facilitate air carrier service to the public; (e) the assistance will provide material benefits to a broad segment of the traveling public, including business, educational institutions, and other enterprises whose access to the national air transportation system is limited; (f) the assistance will be used to help restore scheduled passenger air service that has been terminated or substantially reduced (as measured by enplanements, capacity (seats), schedule, connections, or routes); (g) the assistance will be used in a timely manner; and (h) multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.[6]

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

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2 49 U.S.C. § 41743(c).

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

4 49 U.S.C. § 41743(c)(1)-(4).

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

6 49 U.S.C. § 41743(c)(5)(A)-(H).

> 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 20, 2026, the Department issued Order 2026-3-18 in this Docket, soliciting grant proposals from communities interested in receiving fiscal year 2024 grant funding, with a closing date of May 4, 2026 (the "Notice of Funding Opportunity" (NOFO)).

The NOFO 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. Finally, communities were encouraged to address how their projects would consider the Department's priorities relating to enhancing the experience for traveling families.

Drawing on the Department's experience from previous years, the NOFO 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 NOFO 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 NOFO, the Department received 60 grant applications from 60 communities in 32 States and territories. Four of the applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible for consideration. Collectively, the 56 eligible community applications in this proceeding sought nearly $49 million in Federal financial assistance to support new and ongoing air service development projects.

Most applicants specified the need to attract new or additional air services to their communities. Like previous years, most applicants proposed implementing their projects using revenue guarantees 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. Several applicants cited reductions and suspensions of service due to industry shifts, while others noted ongoing issues to support their view that Federal financial assistance is needed.

**Grant Awards**

SCASDP is unique in that it encourages and affords communities the opportunity to develop their

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[7] 49 U.S.C. § 41743(d).

own solutions to their air service problems based on their 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 the geographic diversity of the selections, and support a variety of solutions and approaches for dealing with the challenges to the problems identified by applicants in similarly situated communities.

With these considerations in mind, the Department is selecting fourteen 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 SCASDP 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 after the issuance of this Order.[9]

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, the awards are being made to communities proposing revenue guarantees or marketing, or revenue guarantees with marketing to attract new service, to support existing service, or to restore lost service.

The selected communities are: Dutch Harbor, Alaska; Flagstaff, Arizona; Grand Junction, Colorado; Tallahassee, Florida; Augusta, Georgia; Cedar Rapids, Iowa; West Lafayette, Indiana; Wichita, Kansas; Baton Rouge, Louisiana; Traverse City; Michigan; Jackson, Mississippi; New Bern, North Carolina; Latrobe, Pennsylvania; and Mosinee, Wisconsin.

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 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) provided a letter of support from an interested air carrier.

## Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the NOFO 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 first

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

9 Non-selected communities can request an application debriefing by contacting Associate Director Brooke Chapman at Brooke.Chapman@dot.gov.

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.[10] 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.

DOT will issue SCASDP 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.[11]

A community can seek and obtain a first grant extension (if the Department 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.

**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.

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[11] 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.

[11] *See* Order 2023-9-18, p. 6 and Order 2026-3-18, p. 5. Pursuant to 49 U.S.C.§ 41743(d)(1), 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 commences. SCASDP's five-year grant duration recognizes 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.

**ACCORDINGLY:**

1. The Department selects the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program (SCASDP) as described in this Order.

Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also made available at [http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP](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 SCASDP 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 SCASDP funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to comply fully with FAA Order 5100.38D and all applicable Federal law. An award recipient must affirm this award by entering into a grant agreement with the Department. An award recipient may not seek to be reimbursed under the SCASDP until it affirms its grant award.

2. 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-50), no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension.

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

By:

**Daniel J. Edwards**
Assistant Secretary
for Aviation and International Affairs

An electronic version of this document is available
online at [http://www.regulations.gov](http://www.regulations.gov)

## Appendix

| State | Community | Federal Amount Awarded | Project Description |
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| AK | Dutch Harbor (Unalaska) | $375,000 | The funding will be used to conduct a regional air service sustainability, affordability, and reliability study to evaluate the operational and economic conditions necessary to support sustainable air service. The community states that it is geographically isolated with high and variable airfares and faces persistent airline turnover and service disruptions. The application notes that identifying socioeconomically feasible improvement plans will yield material benefits for thousands of permanent and seasonal workers in the commercial fishing and marine shipping industries, while also supporting essential access to medical, educational, governmental, and tourism services. |
| AZ | Flagstaff | $800,000 | The funding will be used for a revenue guarantee and marketing to initiate and support service to eastern or northern markets by restoring service to Denver (DEN) or initiating service to Salt Lake City (SLC). The community notes that the service would help to address the community's high airfares and add competition by introducing a second air carrier to Flagstaff Pulliam Airport (FLG). United Airlines submitted a letter of support for DEN service and SkyWest Airlines submitted a letter of support for SLC service. |
| CO | Grand Junction | $950,000 | The funding will be used for a revenue guarantee and marketing support for new nonstop service to George Bush Intercontinental Airport (IAH). The community states that the service will address the local demand for travel to Houston and support the region's economy by connecting the oil and natural gas jobs of the Piceance Basin with major energy hubs and corporate offices. United Airlines submitted a letter of support. |
| FL | Tallahassee | $1,500,000 | The funding will be used for a revenue guarantee, start-up cost offsets, and marketing program for restoration of nonstop service to George Bush Intercontinental Airport (IAH). The community states that the service will capture the existing demand following its loss of Houston service in 2021, which it claims was due to pandemic-related conditions and pilot shortages, as well as resolve its lack of westbound hub connectivity. United and SkyWest Airlines submitted letters of support. |

| State | Community | Federal Amount Awarded | Project Description |
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| GA | Augusta | $800,000 | The funding will be used for a revenue guarantee and marketing program for new nonstop service to Chicago O'Hare International Airport (ORD). The community states that it has strong demand and its airfares are above the national average. The community also states that many local consumers must travel long distances to access the national airspace system, and claims that ORD is its fourth largest origin and destination market. The proposal has air carrier support from American Airlines and United Airlines. |
| IA | Cedar Rapids | $1,000,000 | The funding will be used for a revenue guarantee and marketing to support new daily service to a New York City airport (LGA, JFK, or EWR). The community states that New York City is its largest unserved market and establishing nonstop service would alleviate significant passenger leakage to alternative airports for passengers traveling to the Northeast. The community states that since it is isolated from large hubs such as Chicago or Milwaukee, residents must drive farther distances to access flights to New York and the Northeast. The community is providing significant local funding, and United Airlines provided a letter of support. |
| IN | West Lafayette | $250,000 | The funding will be used for a marketing program to support existing air service to Chicago O'Hare International Airport (ORD) by SkyWest Airlines as United Express. The community states that scheduled air service recently returned after a 20-year absence. The community anticipates that a targeted marketing campaign will improve the utilization and long-term sustainability of the service, providing material benefits to local businesses, residents, and the large out-of-state and international student population at Purdue University. The community provided strong local funding, and SkyWest Airlines provided a letter of support. |
| KS | Wichita | $1,000,000 | The funding will be used for a revenue guarantee and marketing program to support year-round daily service between Wichita and an East Coast hub, including Charlotte (CLT) or New York City (JFK, LGA, or EWR). The community states that New York is its largest unserved market, and that the lack of an East Cost major hub connection means local consumers must drive long distances to an alternate airport. Wichita states that its East Coast fares are higher than the national average and that offering service to the East Coast would lower fares to a major economic region. American Airlines provided a letter of support for this application. |

| State | Community | Federal Amount Awarded | Project Description |
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| LA | Baton Rouge | $1,000,000 | The funding will be used for a revenue guarantee to initiate and support new daily non-stop service to Chicago O'Hare International Airport (ORD). The community states that it has higher than average airfares and that the new service will help lower fares, increase local demand, and reap material benefits by reaching multiple global employers critical for America's continued energy independence. American Airlines and SkyWest Airlines both provided a letter of support for this application. |
| MI | Traverse City | $750,000 | The funding will be used for a revenue guarantee and marketing to support new, daily nonstop service to San Francisco (SFO) or Los Angeles (LAX) on United Airlines. The community states that it lacks nonstop service west of the Rocky Mountains, forcing most West Coast travelers to connect when visiting northern Michigan. Traverse City's airfares are higher than the national average and the City anticipates that nonstop service to large unserved western markets will provide material benefits in reduced travel time and lower airfares to the region's tourism industry, which attracts 2.85 million summer visitors. United Airlines provided a letter of support. |
| MS | Jackson | $1,000,000 | The funding will be used for a revenue guarantee and marketing to restore daily, nonstop service to Chicago O'Hare International Airport (ORD) on United Airlines or American Airlines. The community states that its airfares are higher than the national average and that it seeks to restore ORD service that was discontinued by United in 2020 due to the COVID-19 pandemic. The community anticipates that the service restoration will reap material benefits for its government, healthcare, education, manufacturing, and energy sectors, while serving enduring familial ties and historical migration routes between MS and IL. American and United Airlines provided letters of support. |
| NC | New Bern | $750,000 | The funding will be used for a revenue guarantee to add daily service to Washington Dulles International Airport (IAD). The community states that its fares are higher than the national average and many local consumers drive long distances to travel. The community claims that targeting a legacy hub will provide easier access to the national airspace system and that the resulting material benefits support local businesses, higher education, military operations, and regional tourism. United Airlines and SkyWest Airlines both provided support letters. |

| State | Community | Federal Amount Awarded | Project Description |
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| PA | Latrobe | $850,000 | The funding will be used for a revenue guarantee and marketing support to restore lost low-cost nonstop service to Florida and Myrtle Beach. The community states that it lost all commercial air service when its sole carrier, Spirit Airlines, ceased operations in May 2026, despite 16 years of service and historically strong load factors. The community notes that restoring low-cost air service provides a convenient alternative for regional travelers, avoiding long drives and traffic congestion to reach leisure destinations. The project received confidential airline support. |
| WI | Mosinee | $950,000 | The funding will be used for a revenue guarantee to restore service between Mosinee and Detroit (DTW). The community states that the loss of DTW service in 2022 has severely impacted the region, leaving Mosinee with higher-than-average airfares and many local passengers are traveling to alternate airports. Mosinee adds that it has strong local support and established public-private partnerships and believes that restoring the route will reduce fares and allow consumers to connect to a vital economic hub. SkyWest Airlines provided a letter of support. |