



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

Issued by the Department of Transportation  
on the 17<sup>th</sup> day of May, 2016

Essential Air Service

**COMMUNITY FLEXIBILITY PILOT PROGRAM**

under 49 U.S.C. § 41731 *et seq.*

**DOT-OST-2016-0084**

*and*

**ESSENTIAL AIR SERVICE  
COMMUNITY DOCKETS**

*In Appendix B*

**ORDER REQUESTING APPLICATIONS**

**Summary**

By this Order, the United States Department of Transportation (the Department) is requesting applications from communities interested in participating in the Community Flexibility Pilot Program in which up to 10 communities may forego their Essential Air Service (EAS) for a period of 10 years in exchange for a grant equal to two years' subsidy. Applications are due within 60 days of this Order's issuance. If the Department receives 10 or fewer applications that are compliant with applicable requirements within the 60-day period, all such applications will be granted. If more than 10 compliant applications are received within 60 days, the Department will treat the program as a competitive grant program: it will cancel this order, will not award grants under this order, and will issue a Notice of Funding Opportunity under 2 CFR 200.203.

The Department will continue to accept applications after the 60 days until the maximum of 10 communities are accepted into the program.

**Background**

On December 12, 2003, the President signed into law Vision 100 -- Century of Aviation Reauthorization Act, P.L. 108-176. Section 405 of that Act established, among other things, a Community Flexibility Pilot Program, under which as many as 10 communities whose scheduled services are currently subsidized or eligible for subsidized service under 49 U.S.C. § 41733(c)(1), may obtain a federal grant by agreeing to forgo their subsidized services for a

period of 10 years.<sup>1</sup> By Order 2004-7-19, July 22, 2004, the Department requested applications for the program; however, no applications have ever been submitted to the Department.

### **Request for Applications**

Applications must contain, at a minimum, the amount of the grant being sought and how it will be used. Grant values will be based on subsidy payments made during the most recent 12-month period of continuous EAS service. Applications should also describe the project in sufficient detail, including its potential to impact environmental resources, so the Department can make a preliminary determination as to what level of review will be necessary pursuant to the National Environmental Policy Act, 42 U.S.C. 4321 et seq., (NEPA) and whether other environmental permits, approvals, or consultations may be necessary under other applicable environmental laws or regulations.

The value of each community's grant would be equal to twice the compensation paid to subsidize its service during the most recent 12-month period of continuous subsidized service. The community may use the grant for any project that (a) is eligible for assistance under, and complies with the requirements of, the Airport Improvement Program, (b) is located on airport property, *or* (c) will improve airport facilities in a way that will enhance their usage for general aviation. The law directs that community applications must contain, at a minimum, (a) a statement of the amount of the grant being sought, and (b) a description of how the grant will be used.

Interested communities should submit a proposal bearing the title "Application under the Community Flexibility Pilot Program," as well as the name of the community and the legal sponsor of the affected airport, to: [EAS@dot.gov](mailto:EAS@dot.gov).<sup>2</sup> In addition, because the document will be published on [www.regulations.gov](http://www.regulations.gov), each page should be formatted to be viewed online.

### **Department Review of Applications**

If the Department receives 10 or fewer applications within 60 days of this Order's issuance that are compliant with the program's governing statute, the Department will grant all of them. If more than 10 compliant applications are received within 60 days, the Department will treat the program as a competitive grant program: it will cancel this order, will not award grants under this order, and will issue a Notice of Funding Opportunity under 2 CFR 200.203.

The Department must comply with NEPA and any other applicable environmental review requirements<sup>3</sup> prior to the execution of a grant agreement. The community may not obligate or expend any funds (federal, state or private) for final design, construction, or other activities that represent an irretrievable commitment of resources for the project, or commence any part of final

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<sup>1</sup> See 49 U.S.C. § 41745(b), which is attached to this Order as Appendix A.

<sup>2</sup> Communities wishing to obtain information about recent subsidy payments, or having any other questions regarding this Order, should contact Mr. Kevin Schlemmer, Chief, EAS & Domestic Analysis Division, at 202-366-3176 or [kevin.schlemmer@dot.gov](mailto:kevin.schlemmer@dot.gov), or Mr. Scott Faulk at 202-366-9967 or [scott.faulk@dot.gov](mailto:scott.faulk@dot.gov).

<sup>3</sup> A list of the most common environmental review requirements that may apply to transportation projects can be found at <https://www.transportation.gov/policy/transportation-policy/environment/laws>.

design, construction, or other activities that represent an irretrievable commitment of resources for the project, prior to the execution of a grant agreement.

The community must assist the Department in its compliance with the provisions of NEPA, the Council on Environmental Quality's regulations implementing NEPA (40 CFR parts 1500-1508), the Department's "Procedures for Considering Environmental Impacts" (DOT Order 5610.1C), and any other applicable environmental laws and regulations. As a condition of receiving financial assistance under this program, the community may be required to conduct certain environmental analyses and to prepare and submit to the Department documents required under NEPA and other applicable environmental laws and regulations (including draft environmental assessments and proposed draft and final environmental impact statements).

Each community awarded a grant must execute a grant agreement with the Department before it begins spending funds under a grant award. Applicants should therefore not assume they have received grants, nor obligate or spend local funds prior to receiving and fully executing grant agreements under this program. Funding from this grant may not be used to pay for expenditures made prior to the execution of grant agreements. Communities should also be aware that numerous assurances are required to be made and honored when federal funds are awarded.<sup>4</sup>

If the Department determines that the project proposed in an application is not consistent with the purpose of the Community Flexibility Pilot Program, the Department would not make an award to that applicant.<sup>5</sup>

### **Availability of Funds**

It is important that communities understand that all grant obligations are subject to the availability of funds.

This Order is issued under authority delegated in 49 CFR 1.25a(b).

### **ACCORDINGLY,**

1. Community applications for grants under the Community Flexibility Pilot Program should be emailed to: [EAS@dot.gov](mailto:EAS@dot.gov) bearing the title "Application under the Community Flexibility Pilot Program;"

2. These dockets will remain open until further order of the Department; and

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4 The Department is prohibited from paying subsidy to a community that does not submit these documents: (1) 49 CFR Part 20 – restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 – Nondiscrimination on the basis of disability in air travel; and (3) 2 CFR Part 1400– Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants). The certifications are available on the web at <http://www.dot.gov/policy/aviation-policy/small-community-rural-air-service/essential-air-service>.

5 See 49 U.S.C. § 40101; 49 U.S.C. § 41745(b).

3. The Department will serve copies of this Order on the service list for these dockets.

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>*

**49 U.S.C. §41745 Community and Regional Choice Programs****(a) Alternate Essential Air Service Pilot Program.-**

(1) Establishment.-The Secretary of Transportation shall establish an alternate essential air service pilot program in accordance with the requirements of this section.

(2) Assistance to eligible places.-In carrying out the program, the Secretary, instead of paying compensation to an air carrier to provide essential air service to an eligible place, may provide assistance directly to a unit of local government having jurisdiction over the eligible place or a State within the boundaries of which the eligible place is located.

(3) Use of assistance.-A unit of local government or State receiving assistance for an eligible place under the program may use the assistance for any of the following purposes:

(A) To provide assistance to air carriers that will use smaller equipment to provide the service and to consider increasing the frequency of service using such smaller equipment if the Secretary determines that passenger safety would not be compromised by the use of such smaller equipment and if the State or unit of local government waives the minimum service requirements under section 41732(b).

(B) To provide assistance to an air carrier to provide on-demand air taxi service to and from the eligible place.

(C) To provide assistance to a person to provide scheduled or on-demand surface transportation to and from the eligible place and an airport in another place.

(D) In combination with other units of local government in the same region, to provide transportation services to and from all the eligible places in that region at an airport or other transportation center that can serve all the eligible places in that region.

(E) To purchase aircraft to provide transportation to and from the eligible place or to purchase a fractional share in an aircraft to provide such transportation after the effective date of a rule the Secretary issues relating to fractional ownership.

(F) To pay for other transportation or related services that the Secretary may permit.

**(b) Community Flexibility Pilot Program.-**

(1) In general.-The Secretary shall establish a pilot program for not more than 10 eligible places or consortia of units of local government.

(2) Election.-Under the program, the sponsor of an airport serving an eligible place may elect to forego any essential air service for which compensation is being provided under this subchapter for a 10-year period in exchange for a grant from the Secretary equal in value to twice the compensation paid to provide such service in the most recent 12-month period.

(3) Grant.-Notwithstanding any other provision of law, the Secretary shall make a grant to each airport sponsor participating in the program for use on any project that-

(A) is eligible for assistance under chapter 471 and complies with the requirements of that chapter;

(B) is located on the airport property; or

(C) will improve airport facilities in a way that would make such facilities more usable for general aviation

Essential Air Service Communities as of May 1, 2016

<b>State</b>	<b>EAS Community</b>	<b><u>Regulations.gov</u> docket</b>	<b>State</b>	<b>EAS Community</b>	<b><u>Regulations.gov</u> docket</b>
AK	Adak	OST-2000-8556	AK	Kitoi Bay	OST-2000-6945
AK	Akutan	OST-2000-7068	AK	Koliganek	OST-2016-0011
AK	Aleknagik	OST-2014-0219	AK	Lake Minchumina	OST-2008-0237
AK	Alitak	OST-2000-6945	AK	Levelock	OST-2015-0243
AK	Amook Bay	OST-2000-6945	AK	Manley	OST-2004-17563
AK	Angoon	OST-2006-25542	AK	Manokotak	OST-2015-0244
AK	Atka	OST-1995-363	AK	May Creek	OST-1995-492
AK	Central	OST-1998-3621	AK	McCarthy	OST-1995-492
AK	Chatham	OST-1997-3134	AK	Minto	OST-2004-17563
AK	Chignik	OST-2015-0245	AK	Moser Bay	OST-2000-6945
AK	Chignik Lake	OST-2015-0245	AK	New Stuyahok	OST-2016-0010
AK	Chisana	OST-1998-4574	AK	Nikolski	OST-1995-363
AK	Circle	OST-1998-3621	AK	Olga Bay	OST-2000-6945
AK	Clark's Point	OST-2015-0058	AK	Pelican	OST-2002-11586
AK	Cordova	OST-1998-4899	AK	Perryville	OST-2015-0116
AK	Diomedes	OST-2009-0260	AK	Petersburg	OST-1998-4899
AK	Egegik	OST-2015-0242	AK	Pilot Point	OST-2015-0178
AK	Ekwok	OST-2015-0175	AK	Port Alexander	OST-1999-6244
AK	Elfin Cove	OST-2002-11586	AK	Port Bailey	OST-2000-6945
AK	Excursion Inlet	OST-2002-12014	AK	Port Heiden	OST-2016-0012
AK	False Pass	OST-2015-0059	AK	Port Williams	OST-2000-6945
AK	Funter Bay	OST-1997-3134	AK	Rampart	OST-2008-0201
AK	Gulkana	OST-1995-492	AK	Seal Bay	OST-2000-6945
AK	Gustavus	OST-1998-4899	AK	South Naknek	OST-2015-0060
AK	Healy Lake	OST-1998-3546	AK	Tatitlek	OST-2013-0030
AK	Hydaburg	OST-1999-6245	AK	Tenakee	OST-2006-25542
AK	Igiugig	OST-2015-0176	AK	Twin Hills	OST-2015-0117
AK	Kake	OST-2008-0217	AK	Uganik	OST-2000-6945
AK	King Cove	OST-2015-0177	AK	Ugashik	OST-2015-0179

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AK	West Point	OST-2000-6945		KS	Garden City	OST-1998-3503
AK	Wrangell	OST-1998-4899		KS	Hays	OST-1998-3497
AK	Yakutat	OST-1998-4899		KS	Liberal/Guymon, OK	OST-1998-3498
AK	Zachar Bay	OST-2000-6945		KS	Salina	OST-2002-11376
AL	Muscle Shoals	OST-2000-7856		KY	Owensboro	OST-2000-7855
AR	El Dorado/Camden	OST-1997-2935		KY	Paducah	OST-2009-0299
AR	Harrison	OST-1997-2935		MD	Hagerstown	OST-2006-25228
AR	Hot Springs	OST-1997-2935		ME	Augusta/Waterville	OST-1997-2784
AR	Jonesboro	OST-1997-2935		ME	Bar Harbor	OST-2011-0185
AZ	Page	OST-1997-2694		ME	Presque Isle/Houlton	OST-2000-8012
AZ	Prescott	OST-1996-1899		ME	Rockland	OST-1997-2784
AZ	Show Low	OST-1998-4409		MI	Alpena	OST-2009-0300
CA	Crescent City	OST-1997-2649		MI	Escanaba	OST-2003-15128
CA	El Centro	OST-2008-0299		MI	Hancock/Houghton	OST-2009-0302
CA	Merced	OST-1998-3521		MI	Iron Mountain/Kingsford	OST-1999-5175
CA	Visalia	OST-2004-19916		MI	Ironwood/Ashland, WI	OST-1996-1266
CO	Alamosa	OST-1997-2960		MI	Manistee/Ludington	OST-1996-1711
CO	Cortez	OST-1998-3508		MI	Muskegon	OST-2009-0301
CO	Pueblo	OST-1999-6589		MI	Pellston	OST-2011-0133
GA	Macon	OST-2007-28671		MI	Sault Ste. Marie	OST-2009-0303
HI	Kalaupapa	OST-2000-6773		MN	Bemidji	OST-2011-0134
HI	Kamuela	OST-1997-2833		MN	Brainerd	OST-2011-0135
IA	Burlington	OST-2001-8731		MN	Chisholm/Hibbing	OST-2003-15796
IA	Fort Dodge	OST-2001-10682		MN	International Falls	OST-2009-0304
IA	Mason City	OST-2001-10684		MN	Thief River Falls	OST-2001-10642
IA	Waterloo	OST-2011-0132		MO	Cape Girardeau/Sikeston	OST-1996-1559
IL	Decatur	OST-2006-23929		MO	Fort Leonard Wood	OST-1996-1167
IL	Marion/Herrin	OST-2000-7881		MO	Joplin	OST-2006-23932
IL	Quincy/Hannibal, MO	OST-2003-14492		MO	Kirksville	OST-1997-2515
KS	Dodge City	OST-1998-3502		MS	Greenville	OST-2008-0209

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MS	Laurel/Hattiesburg	OST-2001-10685	NY	Watertown	OST-2013-0188
MS	Meridian	OST-2008-0112	OR	Pendleton	OST-2004-19934
MS	Tupelo	OST-2009-0305	PA	Altoona	OST-2002-11446
MT	Butte	OST-2011-0136	PA	Bradford	OST-2003-14528
MT	Glasgow	OST-1997-2605	PA	DuBois	OST-2004-17617
MT	Glendive	OST-1997-2605	PA	Franklin/Oil City	OST-1997-2523
MT	Havre	OST-1997-2605	PA	Johnstown	OST-2002-11451
MT	Sidney	OST-1997-2605	PA	Lancaster	OST-2002-11450
MT	West Yellowstone	OST-2003-14626	PR	Mayaguez	OST-2004-19622
MT	Wolf Point	OST-1997-2605	SD	Aberdeen	OST-2011-0137
ND	Devils Lake	OST-1997-2785	SD	Pierre	OST-2011-0138
ND	Jamestown	OST-1997-2785	SD	Watertown	OST-2001-10644
NE	Alliance	OST-2000-8322	TN	Jackson	OST-2000-7857
NE	Chadron	OST-2000-8322	TX	Victoria	OST-2005-20454
NE	Grand Island	OST-2002-13983	UT	Cedar City	OST-2003-16395
NE	Kearney	OST-1996-1715	UT	Moab	OST-1997-2827
NE	McCook	OST-1997-3005	UT	Vernal	OST-1997-2706
NE	North Platte	OST-1999-5173	VA	Staunton	OST-2002-11378
NE	Scottsbluff	OST-2003-14535	VT	Rutland	OST-2005-21681
NH	Lebanon/White River Junction, VT	OST-2003-14822	WI	Eau Claire	OST-2009-0306
NM	Carlsbad	OST-2002-12802	WI	Rhineland	OST-2011-0109
NM	Clovis	OST-1996-1902	WV	Beckley	OST-1997-2761
NM	Silver City/Hurley/Deming	OST-1996-1903	WV	Clarksburg/Fairmont	OST-2005-20736
NY	Jamestown	OST-2003-14950	WV	Greenbrier/White Sulphur Springs	OST-2003-15553
NY	Massena	OST-2012-0163	WV	Morgantown	OST-2005-20735
NY	Ogdensburg	OST-1997-2842	WV	Parkersburg/Marietta, OH	OST-2005-20734
NY	Plattsburgh	OST-2003-14783	WY	Cody	OST-2011-0121
NY	Saranac Lake/Lake Placid	OST-2000-8025	WY	Laramie	OST-1997-2958