

Served: July 27, 2004



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

**ESTABLISHMENT OF ALTERNATE ESSENTIAL AIR SERVICE PILOT
PROGRAM PURSUANT TO VISION 100 -- 49 U.S.C. § 41745
Docket OST-2004-18715**

NOTICE

OVERVIEW

On December 12, 2003, President Bush signed into law the Vision 100--Century of Aviation Reauthorization Act, P.L. 108-176 (Vision 100), which, among other things, directs the Department to establish certain *Community and Regional Choice Programs*. One of those is the *Alternate Essential Air Service Pilot Program* (Pilot Program). (See section 405, which adds 49 U.S.C. 41745.) This notice provides information to communities interested in pursuing this alternative to the Essential Air Service (EAS) program.

FUNDING OPPORTUNITY

Congress established this Pilot Program to provide communities with an alternative to the traditional EAS-type service. Typically, the EAS program pays subsidy to regional air carriers to provide two or three round trips a day to a major hub airport with 19-seat aircraft. The new Pilot Program is designed to allow communities to forego their EAS for a prescribed amount of time in exchange for receiving a grant to spend in a variety of ways that might better suit their individual needs.¹ These options are spelled out in statute and include more frequent service with smaller aircraft, on-demand air taxi service, scheduled or on-demand surface transportation, regionalized air service, or purchasing an aircraft.²

AWARD INFORMATION

We are implementing the Pilot Program by inviting communities to submit applications to use EAS funds in an alternative manner to address their transportation needs. We will

¹ Under no circumstances could a community participate in both the traditional EAS program and the Pilot Program at the same time. Communities choosing to withdraw from the Pilot Program may request to be reinstated in the traditional EAS program, but there could be a hiatus in service.

² See Appendix A for a copy of the statute.

use an open and flexible format for applications because we recognize that each community's circumstances may be different, and they need latitude in identifying their own objectives and developing strategies for accomplishing them. At the same time, general, vague, or unsupported applications will not be entertained. The more highly defined the application, the more likely it will receive favorable consideration.

ELIGIBILITY INFORMATION

The communities that are eligible to apply for participation in the program are those that are being served by an air carrier that is receiving subsidy under the EAS program at the time of application.

COST SHARING/LOCAL CONTRIBUTION

There is no cost sharing or local contribution required.

APPLICATION AND SUBMISSION INFORMATION

At a minimum, applications should specifically include the following:

- A description of the community's existing air service, including the carrier(s) providing service, service frequency, direct and connecting destinations offered, available fares, and equipment types.
- A synopsis of the community's service history, including destinations, traffic levels, service providers, and any extenuating factors that might have affected traffic in the past or that can be expected to influence service needs in the near to intermediate term.
- A strategic plan for meeting the community's needs through the Pilot Program, including the community's specific project goal and a realistic timetable for attaining that goal.
- An analysis of the funding necessary for implementation of the community's project.
- An explanation of how the community will ensure that its funds are spent in the manner proposed.
- Descriptions of how the community will monitor the success of the program and how the community will identify critical milestones during the life of the program, including the need to modify, or discontinue funding if identified milestones cannot be met.

- An explanation of how the community will continue to meet the statutory eligibility criteria, especially the \$200 subsidy-per-passenger ceiling.
- The annual amount of the grant sought. The maximum grant amount available for a community will be no more than the annual subsidy that a carrier is being paid for traditional EAS at the time of a community's application.
- A description as to the duration of the grant. Applicants should set a finite period for how long the grant would remain in effect, and describe what its expectations are at the end of that period. The Department would have to reassess the community's service situation towards the end of the grant period to see if the circumstances had changed since the initial award was granted.

Where communities are served over a linear route, e.g., EAS community A to EAS community B to Hub, one-half of the total subsidy is assigned to each community, and that would represent the maximum amount of funding available under the Pilot Program. If one of the two communities wanted to opt for the Pilot Program, the subsidy cost to support the other community's traditional EAS program might well be greater than one-half of the total. In that case, less than one-half of the total would be available for the community opting into the Pilot Program. Similar logic would apply to communities served as part of a larger integrated package, e.g., the seven subsidized communities in Montana.

In addition, all eligibility criteria for the EAS program must continue to be met under the Pilot Program. For example, to ensure that EAS funds are spent prudently, Congress has established certain eligibility criteria. Under Public Law 106-69, the Department of Transportation and Related Agencies Appropriations Act of 2000, the Department is precluded from compensating a carrier for serving any community within 70 driving miles of a medium or large hub airport or communities where the subsidy exceeds \$200 per passenger, unless that community is farther than 210 miles from the nearest large or medium hub airport.³

FUNDING RESTRICTIONS

Each community awarded a grant will be expected to 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 the grant agreements. Communities should also be aware that numerous assurances are required to be made and honored when federal funds are awarded (including non-discrimination,

³ Any changes in the eligibility criteria for the traditional EAS program would also apply to the Pilot Program.

anti-drug, and anti-lobbying certifications⁴), and acceptance of the responsibilities of those assurances is a requirement for receiving a grant under the program.⁵

FILING DATE/POINT OF CONTACT

Applications may be submitted by hand, mail, or express delivery. The applications will be maintained in a public docket accessible by the general public and other applicants. Interested communities should submit an original and three copies of their applications if submitting by, hand, mail, or express delivery.⁶ The cover page for all applications regardless of the method of submission should bear the title "Application for Inclusion in the Alternate Essential Air Service Program," and should include the docket number as shown on the first page of this order, the name of the community or consortium of communities applying, the legal sponsor, and the community's Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number.⁷ The application should be sent/delivered to Dockets Operations and Media Management, M-30, Room PL-401, Department of Transportation, 400 7th Street, SW, Washington, DC 20590. Questions regarding the pilot program or the filing of applications should be directed to Dennis DeVany, Chief, EAS and Domestic Analysis Division, at (202) 366-1053 or dennis.devany@ost.dot.gov.

APPLICATION REVIEW INFORMATION

The Department will carefully review each application and the staff may contact applicants and discuss their applications with them if clarification or more information is

⁴ These certifications are in Appendix B and are available on the web at <http://ostpxweb.dot.gov/aviation/index.html>.

⁵ Questions may be directed to the Department at (202) 366-1053.

⁶ Communities may submit their proposals electronically by following the instructions at the following website <http://dms.dot.gov>. If they do so, however, they should not also submit a hard copy of the application to the Dockets Operations and Media Management Office. Moreover, any additional materials such as DVDs and videos cannot be included in the docket management system. To the extent that communities want to include such information in their proposals, they should provide a separate, hard copy of their complete application to the Department's Office of Aviation Analysis, X-50, Room 6401. Questions about electronic filing procedures should be addressed to Ms. Andrea Jenkins, Program Manager, Dockets Operations and Media Management, at (202) 366-0271.

⁷ The Office of Management and Budget (OMB) issued a new policy with respect to applications for federal grants. Effective October 1, 2003, applicants for federal grants must include in their applications their DUNS number. There are two ways to obtain a DUNS number. Institutions can use the special toll-free number for federal grant applicants at 1-866-705-5711. The process will take about ten minutes and the institution will receive a DUNS number within a few business days. When applying, the institution needs to indicate that it is filing an application under a federal grant program and needs to register for a DUNS number. In addition, the institution will need to provide the following information: the name of the institution, address, telephone number, name of the head of the institution, type of institution (university, library, government entity etc), and total number of employees (full- and part-time). Alternatively, the institution can register for a DUNS number via Dun & Bradstreet's website at <https://eupdate.dnb.com/requestoptions.html>. Choose the "DUNS number only" option. OMB has adopted the use of DUNS numbers as a way to keep track of how federal grant money is dispersed. Notice of this policy was published in the Federal Register on June 27, 2003 [FR38402].

needed. Communities may amend their applications at any time prior to the Department's decision, and those amendments will be considered. The grant awards will be made as quickly as possible.

It is important to note that this is not a competitive process pitting one community against another. Rather, each applicant will be judged on the merits of its proposal. There is no limit on the number of potential participants in the Pilot Program. We seek proposals that are fully thought out and are designed to meet the individualized needs of a community. We encourage proposals that have the greatest chance of increasing passenger usage and therefore reducing the need for future subsidy under either the EAS or Pilot Program.

AWARD ADMINISTRATION INFORMATION

The Department will announce its grant selections by Order, which will be served on each grant recipient, all other applicants, and all parties served with this order. It will also be published in the Federal Register and posted on the Department's webpage.

The grant agreements between the Department and the selected communities will require periodic reports on the progress of implementation of the grant project, as well as periodic submissions of additional material relevant to the grant project, such as copies of advertising and promotional material, and copies of contracts with consultants and service providers. In addition, communities will be required to submit a final report to the Department when their full financial commitment has been made. The frequency of such requests will be established in the grant agreement, which will be tailored to the specific features of the community's grant project.

We shall serve a copy of this notice on all communities currently receiving subsidized air under the EAS program listed in Appendix C.

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

Dated: July 22, 2004

(SEAL)

An electronic version of this document will be available on the World Wide Web at:
<http://dms.dot.gov/>

Sec. 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.

OFFICE OF THE SECRETARY
DEPARTMENT OF TRANSPORTATION

TITLE VI ASSURANCE
(Implementing Title VI of the Civil Rights Act of 1964, as amended)

**ASSURANCE CONCERNING NONDISCRIMINATION ON THE BASIS OF
DISABILITY IN FEDERALLY-ASSISTED PROGRAMS AND ACTIVITIES
RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE
UNDER THE ALTERNATE ESSENTIAL AIR SERVICE PILOT PROGRAM**

(Implementing the Rehabilitation Act of 1973, as amended, and the
Air Carrier Access Act of 1986)

49 CFR Parts 21 and 27 and 14 CFR Parts 271 and 382

_____ (the Grant Recipient) HEREBY AGREES THAT,
(Name of Grant Recipient)

I. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply: with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d--42 U.S.C. 2000d-4; all requirements imposed by or pursuant to: Title 49, Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; and other pertinent directives so that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 21.7(a) and Title 14, Code of Federal Regulations, section 271.9(c).

II. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794); the Air Carrier Access Act of 1986 (49 U.S.C. 1374(c)); and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance, Title 14, Code of Federal Regulations, Part 382, Nondiscrimination on the Basis of Handicap in Air Travel; and other pertinent directives so that no otherwise qualified person with a disability, be excluded from participation in, be denied the benefits of, be discriminated against by reason of such handicap in the provision of air transportation, or

otherwise be subjected to discrimination under any program for which the Recipient receives Federal financial assistance

APPENDIX B

from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 27.9 and Title 14, Code of Federal Regulations, sections 271.9(c) and 382.9.

III. It will promptly take any measures necessary to effectuate this agreement. The Recipient further agrees that it shall take reasonable actions to guarantee that it, its contractors and subcontractors subject to the Department of Transportation regulations cited above, transferees, and successors in interest will comply with all requirements imposed or pursuant to the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

IV. These assurances obligate the Recipient for the period during which Federal financial assistance is extended. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

V. THESE ASSURANCES ARE GIVEN FOR THE PURPOSE OF OBTAINING FEDERAL GRANT ASSISTANCE UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM AND ARE BINDING ON THE RECIPIENT, CONTRACTORS, SUBCONTRACTORS, TRANSFEREES, SUCCESSORS IN INTEREST, AND ALL OTHER PARTICIPANTS RECEIVING FEDERAL GRANT ASSISTANCE IN THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM. THE PERSON OR PERSONS WHOSE SIGNATURES APPEAR BELOW ARE AUTHORIZED TO SIGN THIS AGREEMENT ON BEHALF OF THE GRANT RECIPIENT.

VI. In addition to these assurances, the Recipient agrees to file: a summary of all complaints filed against it within the past year that allege violation(s) by the Recipient of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, or the Air Carrier Access Act of 1986; or a statement that there have been no complaints filed against it. The summary should include the date the complaint was filed, the nature of the complaint, the status or outcome of the complaint (*i.e.*, whether it is still pending or how it was resolved).

Date

Legal Name of Grant Recipient

By:

Signature of Authorized Official

UNITED STATES OF AMERICA

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS**

**CERTIFICATION REGARDING INFLUENCING ACTIVITIES UNDER
THE ALTERNATE ESSENTIAL AIR SERVICE PILOT PROGRAM**

Certification for Contracts, Grants, Loans,
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

Title

Grant Recipient

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
IN THE PERFORMANCE OF SMALL COMMUNITY AIR SERVICE PURSUANT TO GRANT AWARD
UNDER THE ALTERNATE ESSENTIAL AIR SERVICE PILOT PROGRAM

- A. The grant recipient certifies that it will, or will continue, to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grant recipient's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about--
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will--
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of the grant award;
 - (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
 - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- B. The grant recipient *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of air service pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the grant award.

Check [] if there are workplaces on file that are not identified here.

Grant Recipient Signature

Date

ALTERNATE ESSENTIAL AIR SERVICE PILOT PROGRAM

GRANT ASSURANCES

Certification. The Grantee hereby assures and certifies, with respect to this grant, that:

1. General Federal Requirements. It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

- a. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- b. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq. Airport Assurances (9/99)
- c. Hatch Act - 5 U.S.C. 1501, et seq.
- d. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.
- e. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- f. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
- g. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- h. Clean Air Act, P.L. 90-148, as amended.
- i. Coastal Zone Management Act, P.L. 93-205, as amended.
- j. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- k. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- l. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- m. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
- n. Power Plant and Industrial Fuel Use Act of 1978 - Section 403 - 42 U.S.C.8373.
- o. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- p. Copeland Anti-kickback Act - 18 U.S.C. 874.
- q. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- r. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- s. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.

Executive Orders

- Executive Order 11246 - Equal Employment Opportunity
- Executive Order 11990 - Protection of Wetlands
- Executive Order 11998 – Flood Plain Management
- Executive Order 12372 - Intergovernmental Review of Federal Programs.
- Executive Order 12898 - Environmental Justice

Federal Regulations

- a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
- b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- c. 29 CFR Part 1 - Procedures for predetermination of wage rates.
- d. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole

or part by loans or grants from the United States.

e. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).

f. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).

g. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.

h. 49 CFR Part 23 - Participation by Disadvantaged Business Enterprise in Airport Concessions.

i. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.

j. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

k. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.

b. A-133 - Audits of States, Local Governments, and Non-Profit Organizations

Specific assurances required to be included in grant agreements by any of the above laws, regulations, or circulars are incorporated by reference in the grant agreement.

2. Responsibility and Authority of the Grantee.

a. It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

3. Fund Availability. It has sufficient funds available for that portion of the project costs that are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement that it will own or control.

4. Preserving Rights and Powers.

a. It will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the DOT, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the DOT.

5. Accounting System, Audit, and Record Keeping Requirements.

A. IT SHALL KEEP ALL PROJECT ACCOUNTS AND RECORDS THAT FULLY DISCLOSE THE AMOUNT AND DISPOSITION BY THE RECIPIENT OF THE PROCEEDS OF THE GRANT, THE TOTAL COST OF THE PROJECT IN CONNECTION WITH WHICH THE GRANT IS GIVEN OR USED, AND THE AMOUNT OR NATURE OF THAT PORTION OF THE COST OF THE PROJECT SUPPLIED BY OTHER SOURCES, AND SUCH OTHER FINANCIAL RECORDS PERTINENT TO

THE PROJECT. THE ACCOUNTS AND RECORDS SHALL BE KEPT IN ACCORDANCE WITH AN ACCOUNTING SYSTEM THAT WILL FACILITATE AN EFFECTIVE AUDIT IN ACCORDANCE WITH THE SINGLE AUDIT ACT OF 1984.

b. It shall make available to the DOT and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to the grant. The DOT may require that a recipient conduct an appropriate audit. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

6. Minimum Wage Rates. It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement that involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

7. Economic Nondiscrimination. In any agreement, contract, lease, or other arrangement under any project funded under this grant agreement and for which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the Grantee will insert and enforce provisions requiring the contractor to (1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and (2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

8. Engineering and Design Services. It will award each contract or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping, or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the Grantee.

9. Foreign Market Restrictions. It will not allow funds provided under this grant to be used to fund any project that uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

10. Relocation and Real Property Acquisition. (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

Grant Recipient

APPENDIX B

Signature of Authorized Grant Recipient Official

Date

OFFICE OF THE SECRETARY OF TRANSPORTATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the

method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name Affiliation

Title Date

OFFICE OF THE SECRETARY OF TRANSPORTATION

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED
TRANSACTIONS**

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion -- Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name

Title

Affiliation

Date

<u>EAS Community</u>	<u>Docket #</u>
Adak, AK	00-8556
Akutan, AK	00-7068
Alamogordo/HollomanAFB, NM	96-1901
Alamosa, CO	97-2960
Alliance, NE	97-3003
Altoona, PA	02-11446
Athens, GA	02-11348
Atka, AK	95-363
Augusta/Waterville, ME	97-2784
Bar Harbor, ME	97-2784
Beckley, WV	97-2761
Bluefield/Princeton, WV	97-2761
Brookings, SD	97-2785
Brownwood, TX	97-2402
Burlington, IA	01-8731
Cape Girardeau, MO	96-1559
Cape Yakataga, AK	96-2009
Carlsbad, NM	02-12802
Cedar City, UT	97-2706
Central, AK	98-3621
Chadron, NE	97-3003
Chatham, AK	46478
Chisholm/Hibbing, MN	03-15796
Circle, AK	98-3621
Clovis, NM	96-1902
Cordova, AK	43145
Cortez, CO	96-1900
Crescent City, CA	97-2649
Devils Lake, ND	97-2785
Decatur, IL	02-11859
Dickinson, ND	95-697
Dodge City, KS	98-3502
DuBois, PA	04-17617
El Dorado/Camden, AR	97-2935
Elfin Cove, AK	02-11586
Ely, NV	95-361
Enid, OK	97-2401
Ephrata/Moses Lake, WA	98-3344
Escanaba, MI	03-15128
Excursion Inlet, AK	03-12014

<u>EAS Community</u>	<u>Docket #</u>
Glasgow, MT	97-2605
Glendive, MT	97-2605
Grand Island, NE	02-13983
Great Bend, KS	98-3496
Greenbrier/White Sulphur Springs/Lewisburg, WV	03-15553
Gulkana, AK	95-492
Gustavus, AK	43145
Hana, HI	99-6502
Harrison, AR	97-2935
Havre, MT	97-2605
Hays, KS	98-3497
Healy Lake, AK	98-3546
Hobbs, NM	02-12800
Hot Springs, AR	97-2935
Huron, SD	00-7138
Icy Bay, AK	96-2009
Iron Mountain/Kingsford, MI	99-5175
Ironwood, MI/Ashland, WI	96-1266
Jackson, TN	00-7857
Jamestown, NY	03-14950
Jamestown, ND	97-2785
Johnstown, PA	02-11446
Jonesboro, AR	97-2935
Kalaupapa, HI	00-6773
Kamuela, HI	97-2833
Kearney, NE	96-1715
Kingman, AZ	96-1899
Kirksville, MO	44895
Kodiak Bush Points, AK	42908
Laramie, WY	97-2958
Laurel/Hattiesburg, MS	01-10685
Lebanon, NH	03-14822
Lewistown, MT	97-2605
Liberal, KS/Guymon, OK	98-3498
Manhattan, KS	03-15483
Manistee/Ludington, MI	96-1711
Marion/Herrin, IL	00-7881
Mason City, IA	01-10682
Massena, NY	97-2842
May Creek, AK	96-2009
McCarthy, AK	96-2009
McCook, NE	97-3005
Merced, CA	98-3521
Miles City, MT	97-2605

<u>EAS Community</u>	<u>Docket #</u>
Moab, UT	97-2827
Muscle Shoals, AL	00-7856
Nikolski, AK	96-363
Norfolk, NE	00-8320
North Platte, NE	99-5173
Ogdensburg, NY	97-2842
Oil City/Franklin, PA	97-2523
Owensboro, KY	00-7855
Page, AZ	97-2694
Pelican, AK	02-11586
Petersburg, AK	43145
Pierre, SD	01-10128
Plattsburgh, NY	03-14783
Ponca City, OK	97-2401
Ponce, PR	99-6592
Port Alexander, AK	99-6244
Prescott, AZ	96-1899
Presque Isle, ME	00-8012
Pueblo, CO	99-6589
Quincy, IL	02-14492
Riverton, WY	03-14536
Rock Springs, WY	97-2959
Rockland, ME	97-2784
Rutland, VT	97-2784
Salina, KS	02-11376
Saranac Lake, NY	00-8025
Scottsbluff, NE	03-14535
Show Low, AZ	98-4409
Sidney, MT	97-2605
Silver City/Hurley/Deming, NM	96-1903
Staunton, VA	02-11378
Thief River Falls, MN	01-10642
Vernal, UT	97-2706
Victoria, TX	03-14604
Watertown, NY	97-2842
Watertown, SD	01-10644
West Yellowstone, MT	03-14626
Wolf Point, MT	97-2605
Worland, WY	97-2981
Wrangell, AK	43145
Yakutat, AK	43145