

FACT SHEET

November 2023

Essential Air Service in Alaska

What is Essential Air Service?

Prior to 1978, the federal government regulated air service and fares, requiring certificated air carriers to maintain a prescribed level of service and cost per seat to communities. Through the Airline Deregulation Act of 1978, carriers gained the right to set ticket prices and destinations. There was widespread concern that carriers would stop providing service to smaller rural locations in favor of larger cities with more profitable urban markets, effectively limiting access to the National Airspace System. To address this concern and maintain equitable access for rural communities, Congress created the Essential Air Service (EAS)¹ program to ensure that these small communities would continue to receive the economic and quality of life benefits that scheduled air service provides (CRS Report R44176, 2018)².

The United States Department of Transportation (U.S. DOT) is the regulatory agency charged with administration and compliance of the EAS program. There have been numerous regulatory and policy changes to the program since its inception in 1978. Documents and current requirements are available from U.S. DOT³.

Why is the Program Vital to Alaskans?

Only 18% of communities in Alaska are connected to the road system; the other 82% rely on aviation and rough overland or water travel to access mail, medicine, and other services. Many of these communities are subsistence-based rural settlements and Alaska Native villages. Of the 61 communities in Alaska with air service subsidized by the EAS program, only six are connected to the road system. All six are over 100 miles away from the nearest hub airport by road, most

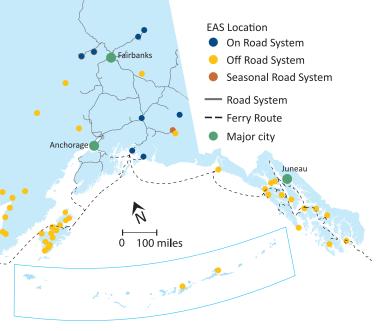
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of which are narrow gravel roads. EAS allows the people in these communities to continue living on the lands their families have been connected to for generations.

Alaska-Specific Rules and Exceptions

To address the remote nature and small population size of most communities, the original legislation exempted Alaska from certain EAS requirements including fewer required passenger seats, number of flights per day and service to a non-hub airport. These special rules for "basic essential air service" in Alaska mean that air carriers do not have to waste money flying larger planes or making more frequent trips than necessary. In the contiguous United States, basic service is two round trip flights per day to a medium or large hub using 30 to 50-seat aircraft. In Alaska, most EAS contracts are for less than

two flights per day, and 90% utilize aircraft with only 3 - 9 passenger seats. Some communities receive only one or two flights per week to a non-hub airport. As of 2023,



18% percent of Alaska EAS communities receive service only in the summer, 62% receive fewer flights in the 'off season', and 10% receive only flag stop service, meaning the location gets service only when there are passengers, mail, or freight. For example, Little Diomede, an extremely remote community on an island in the Bering Strait, receives only seasonal helicopter service once per week.

Alasks air carriers are also evaluated differently for EAS. Outside Alaska, five factors are considered including the reliability of the carrier, arrangements made with larger carriers, interline agreements for transport via one ticket (uncommon in Alaska), community preference, and marketing efforts. For the last frontier, an additional sixth factor considered is the carrier's level of experience providing scheduled or chartered air service in the state.

How Alaska Implements its EAS

Without the EAS program, many air carriers would not be able to provide air service to remote Alaskan communities. In 2023, air carriers in the contiguous United States received an average annual subsidy six times greater than that received by EAS carriers in Alaska. Because every dollar is vital to continuing operations, air carriers work to evaluate transportation demand and optimize aircraft size and service schedules to avoid fiscal waste. EAS carriers in Alaska maximize the funds they receive to ensure that remote communities remain connected to the rest of the state.



Alitak, an EAS location on Kodiak Island, photographed in 2022. An active cannery, with staff housing and supporting infrastructure has been in operation here for more than 100 years.

Case Study: Kodiak Island

About 20% of Alaska's EAS contracts are located on Kodiak Island. Nearly all these communities are served by seaplanes: Cessna-206s or de Havilland Beavers on floats. All EAS routes connect to offroad areas that rely fully on air service or small boat transport for travel, mail delivery, goods, medical services, and economic activity. This air service allows residents and local businesses to engage in life-sustaining economic activities including guiding, hospitality services (lodges), other remote businesses, and transporting commercial fishing catch to processing facilities and larger markets. The commercial fishing and processing workforce also relies on subsidized flights to reach remote staging harbors and seafood processing plants located across the island. Residents of Kodiak Island have expressed concern that losing EAS funding would force them to move to the city of Kodiak, which is already experiencing a severe housing shortage.

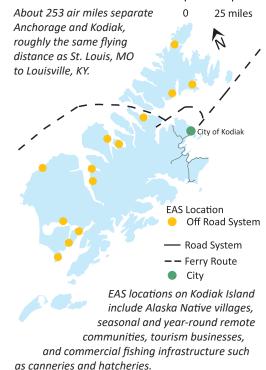
How Can My Community Apply to the EAS Program?

Federal subsidies go directly to the air carrier, meaning *interested carriers must apply to the program*. The State's role in the application process is to review, provide guidance to carriers and communities, and make recommendations to the U.S. DOT. The <u>Airport Policy Planner</u>⁴ at Alaska DOT&PF is the main department contact. This position assists interested participants in understanding Alaska-specific policies. Additional information is available <u>here</u>⁵.

Conclusion

With 82% of Alaskan communities disconnected from the contiguous road system, the EAS program is a lifeline for many of the state's residents. Air service is often the sole means for connecting with the outside world, conducting life-sustaining economic activities, and obtaining essential goods and services like mail, groceries, medications, medical

Kodiak Island



care, and building supplies. Alaska air carriers optimize their subsidies by matching the size of aircraft and frequency of flights to the need of each community, saving the program money while providing essential connectivity to support the Alaskan way of life.

¹https://www.transportation.gov/policy/aviation-policy/smallcommunity-rural-air-service/essential-air-service ²https://crsreports.congress.gov/product/pdf/R/R44176/9 ³https://www.transportation.gov/policy/aviation-policy/smallcommunity-rural-air-service/essential-air-service ⁴https://dot.alaska.gov/stwdav/

^shttps://www.transportation.gov/policy/aviation-policy/smallcommunity-rural-air-service/essential-air-service



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