

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES  
STATEWIDE AVIATION

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United States Senate  
Committee on Commerce, Science  
And Transportation  
Subcommittee on Aviation

Testimony of John Torgerson  
Deputy Commissioner of Aviation  
Department of Transportation  
State of Alaska.

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Good Morning Mr. Chairman and Members of the Committee.

You have requested testimony on the purpose, importance, obstacles, and possible reforms for the US Department of Transportation's Essential Air Service, and the Small Community Air Service Development program.

To Alaskans, aviation is the critical transportation mode that provides the basic necessities of life. In rural Alaska, air transportation is the sole method of transportation to get to the doctor, dentist, and, in some communities, even the grocery store. Some Alaskans even rely on daily air service to attend school. Every morning and evening kids in South Naknek load into a Piper Cherokee Six aircraft to fly to school. Schools programs around the state routinely fly students to school events because there are no road connections.

The State of Alaska owns and operates 260 airports:

2 large international Airports located in Anchorage and Fairbanks.

258 community class airports located across the state from as far north as Barrow to Ketchikan in the south and Adak in the east. This distance, is the same as flying from Michigan to Florida, and then to California.

A vast majority of these communities are land locked and not connected by any road link. The small communities of rural Alaska, which most depend on the Essential Air Service program, are the very communities that are not connected by roads to the rest of the State.

Thirty-nine Alaska communities are currently receiving Essential Air Service, with fourteen separate air carriers providing that service. One carrier provides jet service to six communities and the other thirty-three communities are serviced by smaller propeller aircraft. The aircraft used include Cessna 185s, Beaver floatplanes and even Grumman Goose.

Over the last three years, the amount of funds administered under the Essential Air Service program to Alaskan air carriers have increased less than the general rate of inflation, despite greater inflation in fuel costs. During this same time period the total number of passengers using essential air service has increased from 69,770 to 73,133.

In 2002 the GAO indicated that further fiscal discipline may be necessary and identified four options to control costs and improve the program's sustainability.

First, target subsidized service to more remote communities. That is exactly what is happening in Alaska. Most of Alaska's rural communities are completely dependent on air service because the State has only 4,732 miles of paved roads. In comparison, the State of Virginia has over 70,000 miles of paved roads.

Second, better match capacity, with community use, by increasing the use of smaller aircraft. Again, this is exactly what we are doing in Alaska. As I have already stated, only six of our Essential Air Service communities receive jet service. The others are served by some of the smallest aircraft in commercial use. Alaskan air carriers regularly use planes that can only hold three passengers. The citizens of Akutan rely on a Grumman Goose, last built in 1947, for their Essential Air Service.

Third, consolidate service into regional airports. Again, this is exactly what happens in Alaska. The essential air service program subsidizes the movement of passengers and freight from the 39 smaller community class airports to one of nine primary, regional airports.

Fourth, change the form of federal assistance from carrier subsidies, to local grants. Alaskans believe the program is working well and request that no changes in the funding method be made.

Mr. Chairman, Alaska and her rural communities rely everyday on the Essential Air Service program, we know that it is well administered and are happy with the program as it is regulated today.

### **Small Community Air Service Development Grant**

Mr. Chairman, I was also asked to testify about the small community air service development grant program. The State of Alaska applied for a grant in April 2006 and was awarded \$500,000 to foster diversified air service to Fairbanks. Having just completed this process, I will provide you with my impressions of the program:

**Creates Public/Private Partnerships:** Fosters inter-agency and community partnerships by encouraging a local match and involvement in the marketing strategic plan to attract new and diversified air service.

**Creates Competition:** Provides funding for new air service in challenging markets that either do not have air service and/or monopolistic service that unnecessarily penalizes the customer.

**Fosters Economic Development:** New and/or diversified air service results in additional travel for both local and recipient communities – boosting their economy. Allows for expanded routing and competitive fares that fosters an increase in travel opportunities for all types of travelers.

**Supportive Program from Start to Finish:** Clear and relatively simple process from the application through the award. Excellent support from knowledgeable DOT staff. We have received immediate responses to all questions and/or concerns in regards to the program and its structure.

From Alaska perspective we have high expectations that this program will attract service for a new city pair, increase the economic opportunity for the communities, and add diversity for the traveling public.

Mr. Chairman, Thank you for the opportunity to comment today.

I would be glad to answer any questions that you are the Committee might have.