

**Statement of
The Honorable Laurie Gill,
Mayor, Pierre, South Dakota
before the
Subcommittee on Aviation Operations, Safety, and Security
Committee on Commerce, Science, and Transportation
United States Senate
regarding
Aviation Service Challenges Facing Rural Communities
Washington, D.C., April 6, 2017**

Chairman Blunt, Ranking Member Cantwell, and Members of the Subcommittee:

I am Laurie Gill, Mayor of Pierre, South Dakota. Through my statement today, I hope to add to the subcommittee's understanding of the challenges facing rural communities in achieving and maintaining reasonable air service. I'll also offer some thoughts on how Congress can address these challenges. At the outset, I also want to thank Chairman Thune for his sustained efforts to maintain and improve rural air service.

Air Service and Pierre

Pierre is the capital of South Dakota and has a population of approximately 14,000. It is located in the center of our State, far from our State's population centers and from large hub airports. Without adequate air service to Pierre, our citizens and businesses face the following drives for meaningful scheduled air service options:

Sioux Falls, 226 miles;
Rapid City, 171 miles;
Minneapolis, 453 miles; and
Denver, 540 miles.

The distances alone make clear that our citizens and our State Government need reasonable air service in Pierre to be connected.

But distances are only part of the story. What's important is that businesses and people and communities be connected to the region, the country, and the world through reasonable air service. Businesses are not eager to locate or stay in communities with inadequate air service. Whether a business locates, leaves, or stays in Pierre or similar small cities has a very important multiplier effect on the local economy. In addition, growth breeds growth; losses can be hard to stop once they begin. So, achieving and maintaining reasonable air service is important to our economy. Air service is also important to individuals. Our residents, like people everywhere, sometimes have to travel long distances to visit family or medical specialists, attend special events, or meet other needs.

In short, air service is a necessity for Pierre and similar cities and the program to help ensure such service is aptly named the Essential Air Service program.

Let me turn now to a summary of recent air service in Pierre, beginning with annual enplanement data.

2013	14,507
2014	9,504
2015	6,572
2016	6,382

The numbers show a huge decline in enplanements after 2013. It was in the summer of 2013 that FAA rules took effect that require a first officer in a 14 CFR part 121 air carrier operation to have 1,500 flight hours (or flight hours plus certain credits toward flight hours equaling 1,500 hours).

There was also a decline in the reliability of air service to and from Pierre after the rule took effect. More flights were canceled and fewer were on time. In 2015 nearly one in five flights was canceled and over 40 percent were not on time. The number of daily flights plummeted from 8 to 3. Commercial air service was challenged to find a sufficient supply of pilots that qualified under the new rule. Prior to the rule's effect, Pierre had 19 seat service four times a day to Minneapolis and four times a day to Denver. After the change, the carrier tried to cope in part by changing the service to offer only 9 seats. That may have put that plane outside the reach of the 1,500 hour rule, but the smaller configuration did not inspire confidence in the community in the service.

As commercial air services continued to degrade, our customer complaints skyrocketed and enplanements at Pierre plummeted. Individuals responded in part by making the long drives to other airports. And long drives in winter weather are an additional safety concern. This trend placed further downward pressure on enplanement totals in Pierre and carrier profitability, which can have a downward pressure on service. During this period, Pierre lost eastbound service to Minneapolis and Denver service frequency was reduced.

That kind of decline in service triggers additional problems. It has adverse implications for the physical infrastructure of our airport. Under the Airport Improvement Program (AIP), an airport with 10,000 or more enplanements in a year receives an annual apportionment of at least \$1,000,000 for eligible airfield infrastructure. To fall below 10,000 enplanements drops the minimum annual apportionment to \$150,000 – a reduction of 85%. With this steep cliff in the structure of the apportionments to airports, over the long term, an airport with fewer than 10,000 enplanements faces challenges in obtaining funds to maintain infrastructure that will attract or retain scheduled air service providers.

Lack of reliable air service has additional implications for EAS communities. As I've mentioned, unreliable service can lead to fewer passengers, leading to higher per passenger EAS subsidy costs and, ultimately, a risk that EAS payments for service could be terminated if per passenger costs exceed per passenger subsidy maximums applicable to the EAS program.

Important Help From the EAS Program

From 2006 through the summer of 2016, Pierre was an EAS eligible community but did not receive EAS subsidy. After the 1,500 hour rule took effect and reliability plummeted, in 2016 the City of Pierre requested EAS subsidy in an effort to regain air service reliability. The request for EAS funding was granted. As a result, last summer Pierre began to receive service from a new carrier using 50 seat regional jets, in twice daily service to Denver. The more modern and larger plane has increased community and passenger confidence. Enplanements are recovering and may well exceed 10,000 in 2017. It is important to note that this development is directly related to Pierre service receiving subsidy under the EAS program. EAS payments facilitate the carrier's use of the larger plane and pilot staffing and service has been much more reliable. Given the long history of uncertainty surrounding air service in Pierre after implementation of the 1,500 hour rule, we remain very alert to air service issues and simply cannot assume that we've achieved a permanent solution. Moreover, at this point the improvement is only westbound to Denver. We still have no eastbound service to Minneapolis out of Pierre.

Rural America Deserves a Prompt and Constructive Response from Congress

There are ways Congress can address the small community air service issues I've described today.

Congress should respond to the service declines that followed implementation of the 1,500 hour rule. This must be done in a way that maintains safety – and as a public official, and as a wife, mother, and grandmother, I am absolutely committed to safety. And that includes concern over long winter drives.

Possibilities include allowing hours of credit towards the 1,500 hours for training provided by air carriers in their training programs, subject to FAA approval. Such training clearly has at least the potential to be valuable and highly professional, just as current rules have found value in experience in the military and in graduating from certain institutions of higher education. This new approach to receiving credit hours towards the 1,500 hours should be subject to FAA approval, however, as well as to an FAA determination of the number of hours to be credited. In addition, the FAA, with or without direction from Congress, should consider providing additional hours of credit for academic and military training and consider broadening its view of what qualifies as academic experience deserving hours of credit. Again, all such actions would be subject to FAA making a finding supporting the safety of the approach, including as to the hours to be credited towards the 1,500 hours.

Financial support for students studying to be pilots, or for pilots struggling to pay back student loans, could also help address pilot supply. Such actions could well encourage individuals to pursue, or continue to pursue, a career as a pilot.

What I am sure of as to pilot supply is that rural America's aviation needs are for safety and service, not safety and less service. So, I have offered some ideas that should help improve service and that are fully consistent with safety.

Similarly, full funding for the EAS program is warranted and very important. Congress should address the unforeseen consequences of the 1,500 hour rule on service before considering reductions in EAS funding. Such an approach could well increase enplanements, help contain costs, and reduce long drives to other airports. It would be a win, win. There would be better service, bringing about economic growth in the affected communities. The likely increased ridership would hold down budget costs. If constructive reforms to EAS can be fashioned, fine. Some points may warrant more service, others may warrant a seasonal reduction in service. But now, of all times, is not the time for EAS reductions, much less wholesale reductions.

In addition, AIP funding distribution should be crafted in a way that recognizes that small community airports may have suffered enplanement reductions due to pilot supply issues following implementation of the 1,500 hour rule. A drop in annual apportionments from \$1 million to \$150,000 is extreme. Legislation should establish a more gradual reduction, or a delay in reduction, or some other meaningful response to this problem.

Conclusion

Rural small communities face aviation service challenges but there are sound ways for Congress to respond, as I have outlined today. Your consideration is deeply appreciated.

That concludes my statement. Thanks very much for the opportunity to testify.

Note: Mayor Gill is a Member of the Working Group on Improving Air Service to Small Communities authorized by section 2303 of the FAA Extension, Safety, and Security Act of 2016, Public Law No. 114-190. This statement is presented in her capacity as Mayor of Pierre, SD, and does not purport in any way to speak for any other entity.