government measures and actions that should be undertaken to conserve and manage stocks of living marine resources in the AIDCP Area; making recommendations to the U.S. government regarding research needs related to the eastern Pacific Ocean tuna purse seine fishery; promoting the regular and timely full exchange of data among the Parties on a variety of matters related to the implementation of the AIDCP; and consulting with other experts as necessary order to achieve the objectives of the Agreement.

General Provisions

Each appointed member of the Committee and the Subcommittee/NATSAC is appointed for a term of 3 years and may be reappointed. Logistical and administrative support for the operation of the Subcommittee will be provided by the Department of State, Bureau of Oceans and International Environmental and Scientific Affairs, and by the Department of Commerce, National Marine Fisheries Service. Members receive no compensation for their service on the Subcommittee/NATSAC, nor will members be compensated for travel or other expenses associated with their participation.

Procedures for Submitting Applications/Nominations

Applications/nominations for the Scientific Advisory Subcommittee/NATSAC should be submitted to the Department of State (*see* **ADDRESSES**). Such applications/nominations should include the following information:

(1) Full name/address/phone/fax and e-mail of applicant/nominee;

(2) Applicant/nominee's organization or professional affiliation serving as the basis for the application/nomination;

(3) Background statement describing the applicant/nominee's qualifications and experience, especially as related to the tuna purse seine fishery in the eastern tropical Pacific Ocean or other factors relevant to the implementation of the Convention establishing the IATTC or the AIDCP;

(4) A written statement from the applicant/nominee of intent to participate actively and in good faith in the meetings and activities of the Scientific Advisory Subcommittee/NATSAC. Applicants/nominees who submitted material in response to the **Federal Register** notices published by the U.S. Department of State on November 12, 2002, February 5, 2003, and December 17, 2003, need not resubmit their applications pursuant to this notice.

Margaret F. Hayes,

Acting Deputy Assistant Secretary for Oceans and Fisheries, Department of State.

[FR Doc. 04–6199 Filed 3–18–04; 8:45 am]

BILLING CODE 4710–09–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Notice of Order Soliciting Community Proposals

AGENCY: Department of Transportation.

ACTION: Notice of Order Soliciting Community Proposals (Order 2004–3–10) Docket OST–2004–17343

SUMMARY: The Department of Transportation is soliciting proposals from communities or consortia of communities interested in receiving a grant under the Small Community Air Service Development Program. The full text of the Department's order is attached to this document.

DATES: Grant Proposals should be submitted no later than May 14, 2004.

ADDRESSES: Interested parties should submit an original and three copies of their proposals bearing the title ''Proposal under the Small Community Air Service Development Program, Docket OST–2004–17343, as well as the name of the applicant community or consortium of communities, and the legal sponsor, to Dockets Operations and Media Management, M–30, Room PL–401, Department of Transportation, 400 7th Street, SW., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Teresa Bingham, Associate Director, Office of Aviation Analysis for the Small Community Air Service Development Program, 400 7th Street, SW., Washington, DC 20590, (202) 366–1032.

Dated: March 15, 2004.

Michael W. Reynolds,

Deputy Assistant Secretary for Aviation and International Affairs.

BILLING CODE 4910–62–P

Posted 3/15/04
3:00 p.m.

Order 2004-3-10
Served: March 15, 2004

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

Issued by the Department of Transportation
on the 15th day of March, 2004

In the Matter of Grant Applications **SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM** under 49 U.S.C. 41743 *et seq.*	**DOCKET OST-2004-17343**

ORDER SOLICITING COMMUNITY GRANT PROPOSALS

OVERVIEW

By this order, the Department invites proposals from communities and/or consortia of communities interested in obtaining a federal grant under the Small Community Air Service Development Program (Small Community Program) to address air service and airfare problems in their communities. Proposals should be submitted in the above-referenced docket no later than May 14, 2004.

FUNDING OPPORTUNITY

The Small Community Program was established under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), P.L. 106-181, as a three-year "pilot" program designed to provide financial assistance to small communities to help them enhance their air service. The Department provides this assistance in the form of financial grants. The program was not funded in its first year, fiscal year 2001, but was funded and implemented in each of fiscal years 2002 and 2003. The Vision 100-Century of Aviation Reauthorization Act, P.L. 108-176 (Vision 100), reauthorized the program for an additional five years, through fiscal year 2008, and eliminated the "pilot" status of the program.

Under the statute, the Secretary may award a maximum of 40 grants each year that the program is funded, although no more than four grants each year may be to the same state.[1] The grants may be made to single community or to consortia of communities.[2]

Communities that are eligible to participate in the grant program are those communities that are served by an airport that was not larger than a small hub airport for calendar year 1997 and had insufficient air service or unreasonably high airfares.[3] Communities that do not currently have commercial air service are also eligible, but where they seek grant funds to secure air service under the grant program they must have met or be able to meet in a reasonable period all necessary requirements of the Federal Aviation Administration for the type of service involved in their grant proposals.

In selecting communities to participate in the program, the statute directs the Secretary to give priority to those communities where: (a) average air fares are higher than the air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport-revenue sources; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public; (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the National air transportation system is limited; and (e) the assistance will be used in a timely fashion.[4]

The Small Community Program provides considerable flexibility in how funds can be used to implement a community's grant proposal. For example, grant funds can be used to cover the expenses of any new advertising or promotional activities that can reasonably be related to improving the air service to the community. Funds may also be used for new studies designed to measure air service deficiencies, or to measure traffic loss or diversion to other communities, or for the employment or use of new, dedicated air service development staff on a long-term basis, advertising or public relations agencies, universities, and consulting firms. In addition, grant funds may also be used for financial incentives, including subsidy or revenue guarantees, to air carriers in conjunction with their provision of air service or the fare levels charged, or to ground service providers in providing access to air transportation services.[5] The statute limits the use of grant funds for air carrier subsidy to a maximum period of three years. That same limitation applies to revenue guarantees and other forms of ongoing financial support for air carrier operations.

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[1] See Appendix A for the actual text of the authorizing statute, 49 U.S.C. §41743, as amended by Vision 100.

[2] The statute specifies that a consortium of communities should be considered as a single entity; therefore, throughout this order we use "community" to include consortia.

[3] A small hub is defined as a community that has at least 0.05%, but less than 0.25%, of the annual passenger boardings in the United States.

[4] The last criterion was added by the Vision-100 legislation, P.L. 108-176.

[5] Qualified expenses are set forth in 14 CFR 18.22 and Office of Management and Budget Circular A-87. See www.whitehouse.gov/omb/circulars/a0087/a0087.html.

While the statute does not preclude communities from including capital expenditures, such as terminal/runway improvements or airport equipment in their grant requests, communities are encouraged not to do so. The Department generally receives many more applications than it can accommodate under the limitations of the statute. Moreover, there are other government programs more suited and specifically designed for such purposes. Therefore, while not categorically disallowed, the inclusion of capital improvements may put the community at a competitive disadvantage when compared to communities that have not included such items in their grant requests. Applicants may pursue capital improvement projects separately in conjunction with their grant proposals under the Small Community Program.[6]

The statute also provides that the Department will designate one of the grant recipients as an Air Service Development Zone and work closely with the designated community or consortium on means to attract business to the areas surrounding the airport and to develop land use options for the area. In this regard, the Department will also coordinate with the Department of Commerce to provide data to the community/consortium relevant to this objective. There are no additional funds associated with this designation, and no special benefit or preference will be given to communities seeking this designation in receiving a grant under the program. Rather, the Department will serve as a liaison between the community and other government agencies with respect to the community's development plans.

Applicant communities interested in this designation should clearly indicate that interest in their applications and should provide information in support of their selection for this designation in a separate section of their grant proposals. They should also clearly indicate this interest in the appropriate place in the Summary Information Sheet, which is attached as Appendix B to this order.

In each of the two years that the program has been funded, the Department received many more applications than could be accommodated under the limitations of the statute. In fiscal year 2002 the Department received 180 proposals and made 40 grant awards. Similarly, in fiscal year 2003, the Department received 170 applications and made 36 grant awards.[7]

AWARD INFORMATION

The Vision 100 legislation authorizes funding of $35 million for the program in each fiscal year, through 2008. However, the 2004 Consolidated Appropriations Act, P.L 108-199, January 23, 2004, provided funding for the program at a level of $20 million for fiscal year 2004.[8] The funds remain available until expended.

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[6] Each applicant is responsible for assuring that no part of its proposal would, if accepted, violate any of assurances associated with other federal grants.

[7] See Orders 2002-6-14 (June 26, 2002), 2002-12-16 (December 20, 2002) (both in Docket OST-2002-11590), Orders 2003-9-14 (September 17, 2003), and 2003-9-25 (September 30, 2003) (both in Docket OST-2003-15065) for a complete description of the Department's grant awards over the past two years.

[8] This funding is subject to an across-the-board rescission. As a result $19,880,000 will be available for grant awards.

The financial assistance under this program is in the form of financial grants. As mentioned above, the statute limits the Department to a maximum of 40 grant awards in each year that the program is funded. It does not prescribe any limits on the amounts of individual awards. The grant amounts awarded will vary depending upon the features and merits of the proposals selected. Over the past two years, the Department's individual grants have ranged from $85,000 to nearly $1.6 million.

The grant funds awarded do not need to be expended in the fiscal year that they are awarded. Nor do they need to be used within a one-year period. Authorized grant projects may include activities that extend over a multi-year period under a single grant award to the extent reasonable and practicable. Generally speaking, grant awards will not exceed a three-year period.

Grant funds to the selected communities are available on a reimbursable basis under which the community expends funds related to implementation of the approved grant project, and then seeks reimbursement from the Department at regular intervals (usually monthly) for project expenditures. The Department does not provide grant funds in advance to selected communities.

Communities that were awarded grants in previous years that want to apply for a grant this year should be aware that the revisions to the statute by Vision 100 preclude communities from seeking funds for projects that have already received an award under the Small Community Program. However, to the extent that previous grant recipients seek funds for new projects, they are free to submit grant proposals under this year's appropriation. That said, the funds for this program are very limited and the interest in the program has far exceeded both the funds available and the number of communities that can participate under the statute in any one year. The fact that a community has already received one or more grants would be considered carefully in comparing its new proposal with those of other applicant communities.

ELIGIBILITY INFORMATION

Applicant Eligibility

Communities that are eligible to participate in the grant program are those communities that are served by an airport that was not larger than a small hub airport for calendar year 1997 and had insufficient air service or unreasonably high airfares. Communities that do not currently have commercial air service are also eligible, but where they seek grant funds to secure air service under the grant program they must have met or be able to meet in a reasonable period all necessary requirements of the Federal Aviation Administration for the type of service involved in their grant proposals. Medium and large hubs are not eligible to apply under this program.

The law does not exclude small communities that currently receive subsidized air service under the Essential Air Service (EAS) program from seeking funds under the Small Community Program. A number of EAS subsidized communities applied in both of the past two years and the Department made grant awards to some of those applicants. In addition to reauthorization of the Small Community Program, Vision 100 made several substantive changes to the EAS program, including provision for an "alternate" EAS program that provides EAS-subsidized communities many of the same options for addressing their air service issues as those generally

available under this program.[9] In these circumstances, while EAS-subsidized communities remain eligible to apply for grants under the Small Community Program, it is likely that their proposals may not be as competitive as before, relative to non-EAS communities. Proposals from EAS-subsidized communities that would be favorably considered are those directed toward increasing ridership on the subsidized service. Any proposal from an EAS-subsidized community seeking funds for service to a point other than its designated EAS hub would have to be considered very carefully, weighing, and with particular emphasis on, the potential negative effect of such a project on the cost to the government for the already federally subsidized EAS service in place.

In addition, previous grant recipients are eligible to apply for a grant, but only to the extent that they seek funds for projects that have not previously been authorized under an earlier Small Community Program grant. However, given that the Department receives many more applications than it can accommodate under the statute, the fact that a community has already received one or more grants in the past will be a factor considered in our evaluation of the proposals received for this fiscal year.

Cost Sharing/Local Contributions

The statute does not require communities to contribute toward a grant project, although those that do contribute from local sources other than airport revenues are accorded priority consideration as required by the statute. However, a core objective of the Small Community Program is to promote community involvement in addressing air service/air fare issues through public/private partnerships. As a financial stakeholder in the process, the community gains greater control over the type, quality, and success of the air service initiatives that will best meet its needs, and a greater commitment towards achieving the stated goals. The Department has historically received many more applications than can be accommodated and nearly all of those applications have proposed a financial contribution to the project. Thus, proposals that do not propose a financial contribution will be at a competitive disadvantage. While some communities may have greater financial resources than others, there should be a direct relationship between the amount of Federal support that a community seeks and the amount that it is prepared to contribute toward the proposed initiative. As a general rule, the greater the federal grant amount requested, the greater the community's contribution should be.

For those communities that propose to contribute to the grant project, that contribution can be in the following forms:

Cash from non-airport revenues: This cash contribution can include contributions from the State, the County or the local government, and/or from local businesses, or other private organizations in the community. The "value" of donated advertising will not be considered a "cash" contribution.

Cash from Airport Revenues: This includes contributions from funds generated by airport operations.

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[9] P.L. 108-176, Sec. 405 amending 49 U.S.C. section 41745.

In-Kind Contributions from the Airport: This can include such items as waivers of landing fees, terminal rents, fuel fees, and/or parking fees.
In-Kind Contributions from the community: This can include such items as donated advertising from media outlets, catering services for inaugural events, or in-kind trading, such as advertising in exchange for free air travel. Travel commitments/pledges (often referred to as travel banks) are regarded as an in-kind contribution. Similarly, reduced fares by airlines will be considered an in-kind contribution.

Only cash contributions will be eligible for reimbursement. "In-kind" contributions involve services or benefits that do not include a cash transaction between the parties. Since grant funding under the Small Community Program is provided on a reimbursable basis, the Department cannot reimburse the grant sponsor for "in-kind" or non-cash contributions. Therefore, in-kind contributions are not considered as part of the community's cash financial contribution to the project. Of course, communities are free to include in-kind contributions in their proposals. In fact, communities are encouraged to offer in-kind inducements as an extra incentive to facilitate air service/fare improvements. While these contributions will not be considered as part of the community's cash contribution toward the project on which reimbursements are made, they will be considered as illustrative of the community's overall commitment to the proposed grant project. If there is any question about whether a proposed contribution would be considered as "in-kind" or cash, the applicant should contact the Department before submitting its proposal.

Contributions that simply continue already-existing programs or projects (*e.g.,* designating a portion of an airport's existing annual marketing budget to the project) are given less consideration than contributions for new and innovative programs or projects. Ideally, contributions should represent a new financial commitment or new financial resources devoted to attracting new or improved service, or addressing a specific high-fare or other service issues, such as improving patronage of existing services at the airport.

Applicant communities should also note that, as part of the grant agreement between the Department and the community, the community is required to fulfill its proposed financial contribution to the project. Community participation with respect to all aspects of the proposal, including the financial aspects, is critical to the success of the authorized project initiative. As with the grant awards over the past two years, receipt of the full federal contribution awarded will thus be linked to the community's fulfillment of its financial contribution. Furthermore, communities cannot propose a certain level of cash contribution from non-airport sources, and subsequent to being awarded a grant, seek to substitute or replace that contribution with either "in-kind" contributions or contributions from airport revenues, or both. Given the statute's priority for contributions from non-airport sources and the competitive nature of the selection process, a community's grant award could be reduced or terminated altogether if it is unable to replace the committed funds from non-airport revenue sources.

APPLICATION AND SUBMISSION INFORMATION

Types of Projects and Application Content

The statute is very general about the types of projects that can be authorized in order to provide communities as much flexibility as possible to address air service and airfare issues. Moreover, as each community's circumstances may be different, applicants will have some latitude in identifying their own objectives and developing strategies for accomplishing them. However, the purpose of this program is to provide additional financial support to improve air service at small communities. It is not intended to shift existing expenditures for this purpose from the local or state level to the federal level.

A core objective of the Small Community Program is to help communities secure enhancements that will be responsive to their air transportation/air fare needs on a long-term basis after the financial support of the grant has discontinued. There are many ways that a community might enhance its current air service or attract new service, such as: by promoting awareness among residents of locally available service; by attracting a new carrier through revenue guarantees or operating cost offsets; by offering an incumbent carrier financial incentives to lower its fares, increase its frequencies, add new routes, or deploy more suitable aircraft, including upgrading its equipment from turboprops to regional jets; by combining traffic support from surrounding communities with regionalized service through one airport; or by providing local ground transportation service to improve access to air service to the community and the surrounding area. These serve merely as illustrative examples and are not meant to comprise a list of the types of projects that are considered most favorably.

Consequently, communities are encouraged to be innovative and to consider a wide range of initiatives in developing their proposals. At the same time, general, vague, or unsupported proposals will not be entertained. The more highly defined and focused the proposal, the more likely it will receive favorable consideration.

At a minimum, proposals must provide the following information:

- 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 historical service 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.

- An analysis of the community's air service needs or deficiencies, including a comparison of fares currently offered locally with those offered at similar communities in similarly

served markets.[10] Applicants should also identify any major origin/destination markets not now served or not served adequately.

- A strategic plan for meeting those needs under the Small Community Program, including the community's specific project goal(s) and detailed plan for attaining that goal(s). Proposals should clearly identify the target audience of each component of the proposed transportation initiative, including all advertising and promotional efforts. Proposals should also provide a realistic timetable for implementation of the grant project. In this regard, the statute now includes timely use of the grant funds as a priority consideration. Consequently, communities must have a well-developed project plan and detailed timetable for implementing that plan. In establishing the timetable, however, communities should be realistic about their ability to meet their project deadlines.[11] Furthermore, proposals involving new or improved service should include self-sufficiency of the service as an integral part of the community's goal. In this regard, communities need to keep in mind that, under the statute, they cannot seek grant funding in subsequent years in support of the same project. Therefore, it is important that communities seriously consider the scale of their proposed projects in developing their proposals and the timetable for achieving them. To the extent that a proposed project is dependent upon or relevant to completion of other federally funded capital improvement projects, the community should provide a description of, and the construction time-line for, those projects keeping in mind the new statutory requirement to use Small Community Program funding in a timely manner.

- A description of any public-private partnership that will participate in the project. Full community involvement is a key aspect of the Small Community Program. The statute gives a priority to those communities that already have established, or will establish a public-private partnership to facilitate air service to the public. The proposal should give a full description of the public-private partnership that will participate in the community's proposal and how the partnership will work toward implementing the proposed project. In addition, applicants should identify each member of the partnership, the role that each will play, and its specific responsibilities in implementation of the project.

- A detailed description of the funding necessary for implementation of the community's project, including the federal and non-federal contributions. Proposals should clearly identify the level of Federal funding sought. They should also clearly identify the other cash contributions toward the proposed project, "in-kind" contributions from the airport,

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[10] The Department's Bureau of Transportation Statistics has some information on fares and services. To use the information, however, you may need a particular computer program to access the data. Representatives of that office can be reached at (202)-366-4373.

[11] The projected timetable will be an integral part of the grant agreements between the selected communities and the Department. Therefore, there is *no* advantage to a community in proposing an aggressive timetable that cannot be met, and there may be disadvantages if the community finds that it cannot meet its timetable. Communities should carefully consider all factors affecting implementation of their projects and develop realistic timeframes for achieving those objectives.

and "in-kind" contributions from the community. Cash contributions from airport revenues should be identified separately from cash contributions from other community sources. Similarly, cash contributions from the state and/or local government should be separately identified and described.

In this regard, problems have arisen in the past where communities have relied extensively on what they characterize as travel banks as a significant portion of their local contribution. A travel "bank" involves an actual deposit of funds from the participating entities into a bank for the purpose of purchasing committed air travel on the selected airline and defined procedures for use of those funds under an agreement with the airline. Most often, what communities refer to as a travel "bank" in reality involves travel pledges from businesses in the community without any collection of funds or formal procedures for use of the funds. In the two years of the program, despite having awarded several proposals contemplating travel "banks," there has yet to be one travel bank that has been developed. In nearly all instances, community discussions with air carriers have revealed that many carriers are not interested in travel banks or travel pledges/commitments, preferring other forms of financial incentives for risk abatement in the initial stages of their airline service. If communities include travel banks in their proposals, they must also provide written confirmation that the potential transportation provider(s) involved in the project is interested in such a financial incentive. If such confirmation cannot be secured, the community should have alternative funding proposals for other carrier/financial incentive packages that may be needed. Furthermore, the Department will require evidence that travel banks are funded, and will remain available for that stated purpose.

Applicant communities should be aware that, if awarded a grant, the Department will not reimburse the community for pre-award expenses such as the cost of preparing the grant application or for any expenses incurred prior to the community executing a grant agreement with the Department for implementation of the grant. In addition, 10 percent of the grant funds will be withheld until the Department receives the final report of the grant project. See Award Administration Information, below.

- An explanation of how the community will provide assurances that its own funding contribution is spent in the manner proposed.

- Descriptions of how the community will monitor the success of the program and identify critical milestones during the life of the program, including the need to modify, or discontinue funding if identified milestones cannot be met. This is an important component of the community's proposal and serves to demonstrate the thoroughness of the community's planning of the proposed grant project. Applicant communities are on notice that any modifications not contemplated in the grant proposal must first be approved by the Department. Moreover, modifications to the project will be considered only to the extent that the changes do not deviate from the original goal of the authorized grant project. Given the competitive nature of this process, and in fairness to the other applicants that were not selected, the Department is not in a position to permit

fundamental changes to a community's proposal in order to preserve a grant award. For example, if the authorized grant project was to conduct a route feasibility study and the community subsequently sought to use the grant funds to subsidize airline service, that would be considered a fundamental change that could not be approved.

- A description of how the community plans to continue with the project if it is not self-sustaining after the grant award expires. A particular goal of the Small Community Program is to provide long-term, self-sustaining improvements to air service at small communities. Under the Vision 100 amendments to the statute, the community cannot seek further grant funding in support of the same project. It is possible that a new or improved service at a community will be well on its way to becoming self-sustaining, but will have not reached that goal when the grant has expired. Similarly, it is possible that extensive marketing and promotional efforts may be in process, but not completed, at the end of the grant period and will require continued support. Therefore, in developing its proposal, the community should carefully consider and describe its plans for continued financial support for the project after the grant funding is no longer available.

- A description of the community's past air service development efforts over the past five years and the results of those efforts. Many communities have been active on an on-going basis for many years in air service development efforts, while others are just beginning. To the extent that a community has previously engaged in other air service initiatives, including through public/private partnerships, it should describe those efforts and their results in its grant proposal. This should include marketing and promotional efforts of airport services as well as efforts to recruit additional or improved air service and airfare initiatives.

- Designation of a legal sponsor responsible for administering the program. The legal sponsor must be a government entity. If the sponsor is a public-private partnership, a public government member of the organization must be identified as the community's sponsor to accept program reimbursements. In this regard, communities can designate only a single government entity as the legal sponsor, even if a consortium, for example, consists of two or more local government entities. Private organizations cannot be designated as the legal sponsor of a grant under the Small Community Program.[12]

There is no set format that applicants should use in submitting their applications, other than the guidance above concerning issues that must be addressed in community applications. The law provides considerable latitude to communities in developing their proposals and a strict format could serve to stifle innovation. However, given the historic high volume of applications received, applicants are required to submit a Summary Information Sheet (attached as Appendix B to this order) at the beginning of their applications to assist our review of each proposal.

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[12] The community has the responsibility to ensure that the recipient of any funding has the legal authority under State and local laws to carry out all aspects of the grant.

Filing Date/Confidential Material

Proposals are due May 14, 2004.[13] They may be submitted by hand, mail, or express delivery. Proposals postmarked after the due date will not be accepted. 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 proposals, including the Summary Information Sheet if submitting their proposals by mail, hand, or express delivery.[14] The cover page for all applications regardless of the method of submission should bear the title "Proposal Under the Small Community Air Service Development 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.[15] 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 program or the filing of proposals should be directed to Teresa B. Bingham, Associate Director, Office of Aviation Analysis, at (202) 366-1032 or terri.bingham@ost.dot.gov.[16]

A number of communities that filed applications in one or both of the past two years were not awarded grants. Some of these communities may still be interested in pursuing the proposals that

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[13] The original application should be submitted on 8.5" X 11" paper, in dark ink (not green) and without tabs to facilitate inclusion in the Department's docket management system. The remaining copies may be tabbed and include use of any color ink.

[14] 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.

[15] 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].

[16] To the extent that applicants are interested in reviewing proposals that were submitted in prior years, those applications are publicly available in Docket OST-2002-11590 and Docket OST-2003-15065 for FY 2002 and 2003 grants, respectively, through the Department's docket management system at the following web address: http://dms.dot.gov/.

they submitted previously with or without any modifications. Others may want to change their proposals, but make no changes to the historical or other information that was provided in either their fiscal year 2002 or 2003 proposals. Communities that are interested in doing so may adopt their applications by reference to the extent that the information in that application remains relevant. However, they should submit in this docket, by May 14, any necessary amendments and/or updates to their previous applications and include the additional information that is required in this order, including an updated copy of the required Summary Information Sheet.

Applicants will be able to provide certain information relevant to their proposals on a confidential basis. Under the Department's regulations, such information is limited to commercial or financial information that, if disclosed, would either significantly harm the competitive position of a business or enterprise or make it more difficult for the Federal Government to obtain similar information in the future. Applicants seeking confidential treatment of a portion of their applications must segregate the confidential material in a sealed envelope marked "Confidential Submission of X (the applicant) in Docket OST-2004-17343" and include with that material a request in the form of a motion seeking confidential treatment of the material under 14 CFR 302.12 (Rule 12) of the Department's regulations. The applicant should submit an original and three copies of this material in the sealed envelope. The confidential material should not be included in the original or in any of the copies of the applicant's proposal that are submitted to the Department. Those submissions, however, should indicate clearly where the confidential material would have been inserted. If applicants invoke Rule 12, the confidential portion of the filing will be treated as confidential pending a final determination. All confidential material must also be received by May 14, 2004.

APPLICATION REVIEW INFORMATION

The Department will carefully review each proposal and the staff may contact applicants and discuss their proposals with them if clarification or more information is needed. Communities may amend their proposals at any time prior to the Department's selection of grant recipients and those amendments will be considered to the extent the review process permits. The grant awards will be made as quickly as possible so that communities awarded grants can complete the grant agreement process and proceed to implement their plans. Pending unforeseen circumstances, this process should be completed before September 30, the end of the fiscal year.

The Small Community Program is a valuable opportunity for communities to gain assistance in securing long-term, self-sustaining improvements in their air service. It is not intended to address short-term anomalies affecting a community's air service. Nor is it intended as a continuing financial support program for small community service.[17] It does represent an important opportunity for the community as a whole to take a creative approach to addressing its service and fare issues and to partner with the federal government to make meaningful and lasting improvements in its air service.

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[17] See 49 U.S.C. §41743(d)(1) which limits the use of grant funds to no longer than three years to support an air carrier's operations, and §41743(c)(4) which precludes communities from seeking additional financial assistance for the same project.

The statute directs the Department to give priority consideration to those communities or consortia where air fares are higher than the average air fares for all communities; the community or consortium will provide a portion of the cost of the activity from local sources other than airport revenues; the community or consortium has established or will establish a public-private partnership to facilitate air carrier service to the public; the assistance will provide material benefits to a broad segment of the traveling public whose access to the national air transportation system is limited; and the assistance will be used in a timely fashion.

Applications will be evaluated against these priority considerations. Given previous experience, it is likely that more applications will be received than can be funded under the limitations of the Small Community Program. With this in mind, consistent with the criteria stated above, the selection process will take into consideration the relative size of each applicant community; the geographic location of each applicant, including the community's proximity to larger centers of air service and low-fare service alternatives; the number of passengers expected to benefit from the proposed transportation initiative; the community's demonstrated commitment to and participation in the proposed grant project; the grant amount requested compared with total funds available for all communities; the proposed federal grant amount requested compared with the local share offered; whether the community has demonstrated a reasonable plan to use the funds in a timely manner; the uniqueness of applicants' claimed problem(s); the uniqueness of the applicant's proposed solution(s) to solving the problem(s); and the relative ability of the applicant to implement its proposed project and resolve or address the claimed problem(s). Finally, we will consider whether the applicant community has previously received a grant award under this program.

Full community participation is a key goal of this program as demonstrated by the statute's focus on local contributions and active participation in the project. Therefore, applications that demonstrate broad community support will be given additional credit. For example, communities providing higher levels of cash contributions will be accorded additional favorable points. Communities that provide multiple levels of contributions—cash and in-kind contributions will receive additional credit. Similarly, communities that demonstrate historic as well as active participation in the proposed air service project will be accorded additional credit.

Favorable consideration will also be given to those proposals that offer innovative solutions to the transportation issues facing the community. Small communities have faced many problems retaining and enhancing their air services and in dealing with their airfare issues. Therefore, proposals that offer new, creative approaches to addressing these problems to the extent that they are reasonable, will be given additional favorable consideration. Proposals that provide a well-defined plan and a reasonable timetable for use of the grant funds and a plan for continuation and/or monitoring of the project after the grant period are concluded will also receive greater consideration.

Less favorable consideration will be accorded contributions that simply continue already-existing programs or projects (*e.g.*, designating a portion of an airport's existing annual marketing budget to the project). Contributions should represent a new financial commitment or new financial

resources devoted to attracting new or improved service, or addressing a specific high-fare or other service issues, such as improving patronage of existing services at the airport.

As a general matter, given prior experience, proposals that include travel banks, particularly if they serve as the community's primary financial contribution to the project will be considered with greater scrutiny. As noted earlier, there is concern that travel banks frequently do not come to fruition and ultimately have not been supported by the carriers. For the most part, travel banks have involved "pledges" from the community to use the air service, rather than cash available for implementation of the project. Therefore, any proposals that include travel banks should also provide evidence of their acceptance to the selected or potential air or ground service providers. Moreover, the community should provide an alternative financial plan for the project in the event that the travel bank ultimately proves to be unacceptable.

An important objective of the Small Community Program is to find solutions to transportation problems of small communities that could serve as models for other small communities to improve their access to air service and to the nation's air transportation system. Therefore, subject to the quality of the proposals submitted in meeting the evaluation criteria and the funding/overall community participation constraints of the program, to the extent possible, our goals will be to select proposals that will (a) benefit communities in all areas of the United States and its territories; (b) benefit small communities of all sizes, ranging from very small to those that qualify as small hubs and eligible for participation in the program under the statute; (c) promote regional solutions to air service issues, where appropriate; (d) include a variety of different type projects; and (e) address different types of air service/airfare issues.

Given the competitive nature of the grant process, the Department does not intend to meet with grant applicants with respect to their grant proposals. The Department's selection of communities for grant awards will be based on the community's written submissions to the Department.

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.

Communities awarded grants will be expected to execute a grant agreement with the Department <u>before</u> they begin to spend funds under the grant award. Grant funds will be provided on a <u>reimbursable basis</u> only and only for expenses incurred and billed during the period that the grant agreement is in effect. Applicants therefore should not assume they have received a grant, nor obligate or spend local funds prior to receiving and fully executing a grant agreement with the Department under this program. Expenditures made prior to the execution of a grant agreement, including costs associated with preparation of the grant application, will <u>not</u> be reimbursed. Moreover, there are numerous assurances that are required to be made and honored when federal funds are awarded (such as, non-discrimination, etc.). All communities receiving a grant under

the Small Community Program will be required to accept the responsibilities of these assurances, which are attached as Appendix C to this order.

The grant agreements between the Department and the selected communities will require quarterly reports on the progress of implementation of the grant project, as well as the submission on a quarterly or on-time basis 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 with respect to their grant projects and 10 percent of the grant funds available will not be reimbursed to the community until the final report has been received. Communities will be permitted to seek reimbursement of project implementation costs on a regular basis. 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. In most cases, reimbursements will be made on a monthly basis. In this regard, the Department will provide the grant recipient communities with details and procedures for securing reimbursements electronically.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. Community proposals for funding under the Small Community Air Service Development Program should be submitted in Docket OST 2004-17343 no later than May 14, 2004;[18] and

2. This order will be published in the Federal Register and also will be served on the Council of Mayors, the National League of Cities, the National Governors Association, the National Association of State Aviation Officials (NASAO), the Association of County Executives, the American Association of Airport Executives (AAAE), and the Airports Council International-North America (ACI).

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

(SEAL)

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

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[18] Proposals must be postmarked no later than May 14. The original application should be submitted on 8.5" X 11" paper, in dark ink (not green) and without tabs to facilitate inclusion in the Department's docket management system. The remaining copies may be tabbed and include use of any color ink.

49 U.S.C. 41743

§ 41743. Airports not receiving sufficient service

(a) Small community air service development program.--The Secretary of Transportation shall establish a program that meets the requirements of this section for improving air carrier service to airports not receiving sufficient air carrier service.

(b) Application required.--In order to participate in the program established under subsection (a), a community or consortium of communities shall submit an application to the Secretary in such form, at such time, and containing such information as the Secretary may require, including--

(1) an assessment of the need of the community or consortium for access, or improved access, to the national air transportation system; and

(2) an analysis of the application of the criteria in subsection (c) to that community or consortium.

(c) Criteria for participation.--In selecting communities, or consortia of communities, for participation in the program established under subsection (a), the Secretary shall apply the following criteria:

(1) Size.--For calendar year 1997, the airport serving the community or consortium was not larger than a small hub airport, and--

(A) had insufficient air carrier service; or

(B) had unreasonably high air fares.

(2) Characteristics.--The airport presents characteristics, such as geographic diversity or unique circumstances, that will demonstrate the need for, and feasibility of, the program established under subsection (a).

(3) State limit.--Not more than 4 communities or consortia of communities, or a combination thereof, from the same State may be selected to participate in the program in any fiscal year.

(4) Overall limit.--No more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which funds are appropriated for the program.

No community, consortia of communities, nor combination thereof may participate in the program in support of the same project more than once, but any community, consortia of communities, or combination thereof may apply, subsequent to such participation, to participate in the program in support of a different project.

(5) Priorities.--The Secretary shall give priority to communities or consortia of communities where--

(A) air fares are higher than the average air fares for all communities;

(B) the community or consortium will provide a portion of the cost of the activity to be assisted under the program from local sources other than airport revenues;

(C) the community or consortium has established, or will establish, a public-private partnership to facilitate air carrier service to the public;

(D) the assistance will provide material benefits to a broad segment of the travelling public, including business, educational institutions, and other enterprises, whose access to the national air transportation system is limited; and

(E) the assistance will be used in a timely fashion.

(d) Types of assistance.--The Secretary may use amounts made available under this section--

(1) to provide assistance to an air carrier to subsidize service to and from an underserved airport for a period not to exceed 3 years;

(2) to provide assistance to an underserved airport to obtain service to and from the underserved airport; and

(3) to provide assistance to an underserved airport to implement such other measures as the Secretary, in consultation with such airport, considers appropriate to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.

(e) Authority to make agreements.--

(1) In general.--The Secretary may make agreements to provide assistance under this section.

(2) Authorization of appropriations.--There is authorized to be appropriated to the Secretary $20,000,000 for fiscal year 2001, $27,500,000 for each of fiscal years 2002 and 2003, and $35,000,000 for each of fiscal years 2004 through 2008 to carry out this section. Such sums shall remain available until expended.

(f) Additional action.--Under the program established under subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers (as defined in section 41716(a)(2)) serving large hub airports to facilitate joint-fare arrangements consistent with normal industry practice.

(g) Designation of responsible official.--The Secretary shall designate an employee of the Department of Transportation--

(1) to function as a facilitator between small communities and air carriers;

(2) to carry out this section;

(3) to ensure that the Bureau of Transportation Statistics collects data on passenger information to assess the service needs of small communities;

(4) to work with and coordinate efforts with other Federal, State, and local agencies to increase the viability of service to small communities and the creation of aviation development zones; and

(5) to provide policy recommendations to the Secretary and Congress that will ensure that small communities have access to quality, affordable air transportation services.

(h) Air Service Development Zone.--The Secretary shall designate an airport in the program as an Air Service Development Zone and work with the community or consortium on means to attract business to the area surrounding the airport, to develop land use options for the area, and provide data, working with the Department of Commerce and other agencies.

SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM
DOCKET OST-2004-17343

SUMMARY INFORMATION

All applicants must submit this information along with their proposal. Previous applicants may incorporate by reference all or any portion of their initial proposals in Docket OST-2004-17343, but must also submit this summary information to be considered for a grant award from the FY 2004 funding for the Small Community Program in this docket. Additionally, 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.

DUNS Number _____

A. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)

☐ **Not a Consortium** ☐ **Interstate Consortium** ☐ **Intrastate Consortium**
☐ **Community now receives EAS subsidy**

Point of Contact:

Community Name _____ Phone: _____
Address1 _____ Fax: _____
Address2 _____ Email: _____
City, State Zipcode _____ County: _____
Point of Contact: _____

Community Name _____ Phone: _____
Address1 _____ Fax: _____
Address2 _____ Email: _____
City, State Zipcode _____ County: _____
Point of Contact: _____

Community Name _____ Phone: _____
Address1 _____ Fax: _____
Address2 _____ Email: _____
City, State Zipcode _____ County: _____
Point of Contact: _____

DESIGNATED LEGAL SPONSOR: (MUST BE A GOVERNMENT ENTITY)

Point of Contact

Name _____ Phone: _____
Title _____ Fax: _____
Organization _____ Email: _____
Address1 _____ City: _____
Address2 _____ State: _____
Zip: _____

PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

Public	Private
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

B. PROJECT INFORMATION

PROJECT PROPOSAL: (CHECK ALL THAT APPLY)

- ☐ Marketing
- ☐ Personnel
- ☐ Travel Bank
- ☐ Subsidy
- ☐ Revenue Guarantee
- ☐ Start Up Cost Offset
- ☐ Study
- ☐ Upgrade Aircraft
- ☐ Increase Frequency
- ☐ Service Restoration
- ☐ Regional Service
- ☐ Launch New Carrier
- ☐ First Competitive Service
- ☐ Secure Additional Carrier
- ☐ New Route
- ☐ Low Fare Service
- ☐ Surface Transportation
- ☐ Other (specify)

_____
_____
_____
_____
_____

PROJECT GOAL: PROJECT IS INTENDED TO ADDRESS PROBLEMS INVOLVING (CHECK ALL THAT APPLY)

- ☐ High Fares
- ☐ Insufficient Air Service
- ☐ Unique Airport Circumstance
- ☐ Access to National Transportation System Needed
- ☐ Other (specify)

PLEASE PROVIDE A BRIEF SYNOPSIS (IN ONE PARAGRAPH) OF THE HIGHLIGHTS OF YOUR PROPOSAL.

_____
_____
_____
_____
_____
_____
_____
_____
_____

PROJECT COST:

Federal amount requested: _____
Total local cash financial contribution: _____
Airport funds: _____
Non-Airport funds: _____
State cash financial contribution: _____
Existing funds: _____
New funds: _____
Airport In-kind contribution: _____
(amount & description)
Other In-Kind contribution: _____
(amount & description)
Total cost of project: _____

C. AIR SERVICE DEVELOPMENT ZONE: (CHECK BOX IF INTERESTED IN DESIGNATION) ☐

D. LOCAL AIRPORT INFORMATION: (WHERE SERVICE WOULD BE PROVIDED)

Airport Name: _____
Airport City: _____
Airport State: _____
Airport Code: _____

LOCAL AIRPORT CLASSIFICATION: (BASED ON MOST RECENT FAA ENPLANEMENT DATA)

☐ Non Hub ☐ Small Hub ☐ Medium Hub ☐ Other

EXISTING LANDING AIDS AT LOCAL AIRPORT:

☐ Full ILS ☐ Outer/Middle Marker ☐ Published Instrument Approach

☐ Localizer ☐ Other (specify)

EXISTING SERVICE: (CHECK ALL THAT APPLY)

☐ Jet service ☐ Low Fare Service ☐ Turboprop ☐ No Existing Service

AIR CARRIER(S) SERVING AIRPORT:

Air Carriers	Air Carriers
1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

CURRENT FLIGHT INFORMATION: (PLEASE PROVIDE ATTACHMENT IF YOU NEED MORE ROOM)

Number of non-stop roundtrip flights per destination: _____

Number of one-stop, single-plane roundtrip flights per destination per week (identify services that are seasonal and dates of service): _____

Aircraft Type (include number of seats): _____

ENPLANEMENTS (LAST FIVE CALENDAR YEARS TO THE EXTENT APPLICABLE)

1999 _____ 2002 _____

2000 _____ 2003 _____

2001 _____

E. AIRFARES: (PROVIDE CURRENT AVAILABLE AIRFARES FOR TOP 3 O&D MARKETS-IF APPLICABLE)

O&D Market: _____ Airfare: _____

O&D Market: _____ Airfare: _____

O&D Market: _____ Airfare: _____

F. PROXIMITY OF OTHER AIRPORTS: (BASED ON MOST RECENT FAA ENPLANEMENT DATA)

What is your closest:

Non-hub (w/jet service)	Name _____
Small Hub	Name _____
Medium Hub	Name _____
Large Hub	Name _____
Low-fare service	Name _____

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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

(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

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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

APPENDIX C

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

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

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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 SMALL COMMUNITY AIR SERVICE DEVELOPMENT 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

APPENDIX C

SMALL COMMUNITY AIR SERVICE DEVELOPMENT 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 as-

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sisted 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,

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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

_____ _____

Signature of Authorized Grant Recipient Official Date

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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

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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

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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.

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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

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