

regional employment impacts (both positive and negative) in the United States as well as other likely labor market impacts of the FTA. Persons submitting comments should provide as much detail as possible in support of their submissions.

### 3. Requirements for Submissions

To ensure prompt and full consideration of responses, the TPSC strongly recommends that interested persons submit comments by electronic mail to the following e-mail address: [FR0075@ustr.gov](mailto:FR0075@ustr.gov). Persons making submissions by e-mail should use the following subject line: SACU Employment Review." Documents should be submitted in WordPerfect, MSWord, or text (.TXT) files. Supporting documentation submitted as spreadsheets is acceptable in Quattro Pro or Excel format. For any document containing business confidential information submitted electronically, the file name of the business confidential version should begin with the characters "BC-", and the file name of the public version should begin with the character "P-". The "P-" or "BC-" should be followed by the name of the submitter. Persons who make submissions by e-mail should not provide separate cover letters; information that might appear in a cover letter should be included in the submission itself. To the extent possible, any attachments to the submission should be included in the same file as the submission itself, and not as separate files.

Written comments will be placed in a file open to public inspection pursuant to 15 CFR 2003.5, except confidential business information exempt from public inspection in accordance with 15 CFR 2003.6. Confidential business information submitted in accordance with 15 CFR 2003.6 must be clearly marked "BUSINESS CONFIDENTIAL" at the top of each page, including any cover letter or cover page, and must be accompanied by a non-confidential summary of the confidential information. All public documents and non-confidential summaries shall be available for public inspection in the USTR Reading Room in Room 3 of the Annex of the Office of the USTR, 1724 F Street, NW, Washington, D.C. 20508. An appointment to review the file may be made by calling (202) 395-6186. The USTR Reading Room is generally open to the public from 10 a.m.-12 noon and 1-4 p.m. Monday through Friday. Appointments must be scheduled at least 48 hours in advance.

General information concerning the Office of the United States Trade

Representative may be obtained by accessing its Internet Web site (<http://www.ustr.gov>).

**Carmen Suro-Bredie,**

*Chairman, Trade Policy Staff Committee.*

[FR Doc. 03-11378 Filed 5-6-03; 8:45 am]

BILLING CODE 3190-01-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 2003-4-22) Docket OST-2003-15065.

**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 Pilot Program. The full text of the Department's order is attached to this document.

**DATES:** Grant Proposals should be submitted no later than June 30, 2003.

**ADDRESSES:** Interested parties should submit an original and four copies of their proposals bearing the title "Proposal under the Small Community Air Service Development Pilot Program, Docket OST-2003-15065," 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 Pilot Program, 400 7th Street SW., Washington, DC 20590, (202) 366-1032.

Dated: April 29, 2003.

**Read C. Van de Water,**

*Assistant Secretary for Aviation and International Affairs.*

#### Small Community Air Service Development Pilot Program Under 49 U.S.C. 41743 et seq.

[Docket OST-2003-15065]

#### Summary

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 Pilot Program (Pilot

Program) to address air service and air fare problems at their communities. Proposals should be submitted no later than June 30, 2003.

#### Background

On April 5, 2000, the President signed the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Public Law 106-181. Among other things, the statute established a new pilot program designed to help smaller communities enhance their air service. The statute directs the Secretary of Transportation to assist communities in developing projects that will improve their access to the National air transportation system through public-private partnerships, and to help communities overcome factors that might be inhibiting improvements in their current air service.<sup>1</sup>

Specifically, the law authorizes the Secretary to provide financial assistance (direct financial assistance to an air carrier is limited to three years) to as many as 40 communities nationwide in each year for which program funds are appropriated, though no more than four of those may be from the same state.<sup>2</sup> 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, as defined by 49 U.S.C. 41743(c)(1), and had insufficient air service or unreasonably high air fares.<sup>3</sup> Communities that currently do not have air service qualify, but the airport where service would be provided must meet the certification requirements of the Federal Aviation Administration for commercial airports. While no community is required to contribute a portion or share of the cost of this program, the law 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; and, (d) improved service will bring the material benefits of scheduled air transportation to a

<sup>1</sup> See Appendix A for the actual text of the authorizing statute.

<sup>2</sup> 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.

<sup>3</sup> 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.

broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the National air transportation system is limited.

The statute authorized the Pilot Program for a period of three years beginning in fiscal year 2001. No funds were appropriated for the first year the program was authorized, but in the Department's FY 2002 appropriation bill, Public Law 107-87, Congress appropriated \$20 million for the program, to remain available until expended. After soliciting proposals from interested communities, in June 2002, the Department made grant awards to 40 of the 180 communities that had submitted grant proposals. Order 2002-6-14. Those awards were subject to the communities completing a formal grant agreement with the Department for implementation of their grant projects. Two grant recipients did not execute agreements with the Department, and by Order 2002-12-16, the Department reallocated those grant funds to two other communities.<sup>4</sup>

On February 20, 2003, as part of the Department's FY 2003 appropriations bill, Public Law 108-7, Congress appropriated another \$20 million for the program for FY 2003, also to remain available until expended. Given the overall limitation in the AIR-21 legislation regarding the total number of communities that could participate in the program, it was apparent that the Department could not use the appropriation for grants to additional communities without additional legislative authorization. On April 16, as a provision of the Emergency Wartime Supplemental Appropriations Act, 2003, Public Law 108-11, Congress amended the AIR-21 legislation to clarify that the numerical community limitations in the law were to be applied on a per year basis. Therefore, the Department is now in a position to solicit proposals from interested communities.

### Community Proposals

This is the second year that the Department is making grant awards under this program. There was an extraordinary response to the Pilot Program last year, with 180 applications filed. It is still too soon to evaluate the results of the projects authorized under the fiscal year 2002 grant awards. Nonetheless, we believe that the application process worked very well.

Therefore, we generally intend to follow the same approach as we did last year and to provide communities as much flexibility as possible in developing their grant proposals. In this regard, there are a number of aspects about this program that we noted in last year's request for proposals that are important and we believe would be beneficial if they are repeated here.<sup>5</sup> Also, we clarify some issues that arose as communities were developing their proposals last year, as well as others based on our experience in reviewing those proposals and making the first grant awards.

### Types of Proposals/Application Contents

The law is very general about how program funding can be used. Moreover, we recognize that each community's circumstances may be different, and that each community needs some latitude in identifying its own objectives and developing strategies for accomplishing them. What should remain clear, however, is that program funding is intended to improve air service to those communities that are not receiving sufficient air service or are experiencing unreasonably high air fares, and not to shift existing costs from the local or state level to the Federal level.

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 the community's access to air service. The core objective of the Pilot Program is to secure enhancements that will be responsive to a community's air transportation/air fare needs and whose benefits can be expected to continue after the initial expenditures.

Consequently, we encourage communities to consider a wide range of initiatives in developing their proposals. At the same time, we will not entertain general, vague, or unsupported proposals. The more highly defined the proposal, the more likely it will receive

favorable consideration. At a minimum, we expect proposals to address specifically the following:

- *A description of the community's existing air service*, including the carrier(s) providing service, service frequency, direct and connecting destinations offered, available fares, and equipment types.
- *A synopsis of the community's 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.

• *A strategic plan for meeting those needs through the Pilot Program*, including the community's specific project goal and a realistic timetable for attaining that goal.<sup>6</sup> Proposals should clearly identify the target audience of each component of the proposed transportation initiative, including all advertising and promotional efforts. As noted above, we expect that self-sufficiency of the new or improved service will be an integral part of the community's goal. Applicants should keep in mind that this is the last year that the program has been authorized. There is no certainty that the program will be reauthorized beyond fiscal year 2003. Therefore, in developing projects and project goals, communities should recognize that additional funding in subsequent years might not be available. Completion of the proposed transportation initiative should not be dependent upon receiving grant awards in subsequent years. Moreover, many communities may find that a single grant award would be sufficient to finance their projects or resolve their service or fare issues. However, communities do not need to use the funding within a one-year period. Proposed projects may include activities that would extend over a multi-year period under the single grant award to the extent reasonable and practicable.

To the extent that a proposed project is dependent upon or relevant to completion of other Federally funded

<sup>4</sup> Pasco, Washington, and the consortium of Houghton and Pellston, Michigan, declined the grant offers. The funds were reallocated to Chico, California, and Telluride, Colorado.

<sup>5</sup> Order 2002-2-11, February 19, 2002, and published in the **Federal Register** on July 8, 2002; 67 FR 45168.

<sup>6</sup> 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. Rather, communities should carefully consider all factors affecting implementation of their projects and develop realistic timeframes for achieving those objectives.

capital improvement projects, the community should provide a description of, and the construction time-line for, those projects.

- *A description of the public-private partnership, if there is one, or other sponsor, that will be responsible for the program developed at the local level.* The partnership or other sponsor can either be an existing organization or an entirely new one. If the sponsor is a public-private partnership, a public 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 are not permissible sponsors to accept reimbursements under this program.<sup>7</sup>

- *An analysis of the funding necessary for implementation of the community's project, including the Federal and non-Federal contributions.* In calculating the non-Federal contribution, we will give less favorable consideration to contributions that simply continue already-existing programs or projects (e.g., designating a portion of an airport's existing annual marketing budget); ideally, contributions should represent new financial resources devoted to attracting new or improved service, or addressing a specific high-fare or other service issue. Also, we will not consider in-kind trading (e.g., reduced landing fees or terminal rent or non-cash transactions such as free advertising in exchange for reduced-fare travel) as part of the community's financial contribution to the project. As we have previously noted, in-kind trading is frequently hard to quantify and does not lend itself to comparison to proposals that include straight cash contributions. Of course, communities are free to include in-kind trading in their proposals. In fact, we encourage communities to offer in-kind inducements as an *extra* incentive to facilitate air service/fare improvements. These contributions, however, will be considered over and above what the community offers as a cash contribution to the proposed project.

There is no pre-established contribution level that is required of the applicant communities. Moreover, the law does not require communities to contribute toward a grant project. We emphasize, however, that a core

objective of the Pilot Program is to promote community involvement in addressing air service/air fare issues through public/private partnerships. This includes not only participation in identifying and implementing the projects geared toward development of the community's air service, but, also, a financial commitment to achieve those developmental objectives. As a 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. Furthermore, while we recognize that some communities may have greater financial resources available than others, we still expect there to 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. The greater the Federal grant amount requested, the greater the amount that we would expect as the community's contribution.

Applicant communities should also keep in mind that, as part of the partnership between the Department and the community, we expect the community to meet its proposed financial contribution to the project. We believe that community participation with respect to all aspects, including the financial aspects, of the proposal is critical to the success of the authorized Pilot Program initiative. As with the fiscal year 2002 grant awards, receipt of the full Federal contribution awarded will thus be linked to the community's fulfillment of its financial contribution.

- *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 how the community will identify critical milestones during the life of the program, including the need to modify, or discontinue funding if identified milestones cannot be met.*

We will not dictate the format that applicants should use in submitting their applications, other than the guidance above concerning issues that we would like addressed in the community's application. The law provides considerable latitude to communities in developing their proposals and we do not want to stifle any innovation with a very strict format. However, given the high volume of applications received last year, and the delay in our ability to begin the grant process for this fiscal year, in this order, we are requiring applicants to submit

Summary Information (attached as Appendix B to this order) at the beginning of their applications to assist our review of each proposal.

### Use of Funds

The Pilot Program provides considerable flexibility in how funds can be used to implement a community's 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 scheduled air service to the community. Funds may also be used for any type of new media advertising or other promotional activities; for new studies designed to measure air service deficiencies, or to measure traffic loss or diversion to other communities; as well as 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.<sup>8</sup> Use of the funds for air carrier subsidy is limited to a maximum period of three years.

As noted above, applicants will be expected to meet the financial contributions that they proposed toward their service proposals. To the extent that applicants may include the use of travel banks or travel pledges as financial incentives to service providers (air or surface), they should have confirmation and verification of such pledges or commitments *before* they include them in their proposed financial contributions.

While the statute does not preclude communities from including capital expenditures, such as terminal/runway improvements or airport equipment in their grant requests, we do not encourage communities to do so. If our experience this year mirrors that of last year, we will have many more proposals for Federal assistance than we can accommodate under the limitations of the statute. Moreover, the FAA's Airport Improvement Program (AIP) and Facilities and Equipment Program (F&E) are specifically intended for such purposes and capital improvement requests are more appropriately

<sup>7</sup> 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.

<sup>8</sup> Qualified expenses are set forth in Office of Management and Budget Circular A-87. See <http://www.whitehouse.gov/omb/circulars/a0087/a0087.html>.

considered under those programs. Therefore, while we will not categorically disallow such items, 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. Of course, applicants may separately pursue capital improvement projects under the AIP and F&E programs in conjunction with their grant proposals under the Pilot Program.<sup>9</sup>

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 Pilot Program. A number of EAS subsidized communities applied last year and the Department made grant awards to some of those applicants. We intend to again permit subsidized EAS communities to seek grant funds under this year's appropriation, and we will entertain requests that are directed toward increasing ridership on the subsidized service. Any proposal from an EAS community seeking funds for service to a point other than its EAS hub will 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 service.

#### Proposal Filing Date

Proposals are due June 30, 2003. Given the limited time available to make these grant awards, proposals filed after that date will *not* be accepted. Interested communities should submit an original and four copies of their proposals, including the new Summary Information, bearing the title "Proposal under the Small Community Air Service Development Pilot Program" as well as the name of the community or consortium of communities applying, the legal sponsor, and the docket number as shown on the first page of this order, 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, for the Small Community Air Service Development Pilot Program at (202) 366-1032 or [terri.bingham@ost.dot.gov](mailto:terri.bingham@ost.dot.gov).<sup>10</sup>

<sup>9</sup> Each applicant is responsible for assuring that no part of its proposal would, if accepted, violate any of its AIP assurances.

<sup>10</sup> To the extent that applicants are interested in reviewing proposals that were submitted last year,

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 whose disclosure would either significantly harm the competitive position of a business or enterprise or make it more difficult for the Government to obtain similar information in the future. Applicants seeking confidential treatment of a portion of their applications should segregate the confidential material in a sealed envelope marked "Confidential Submission of X (the applicant) in Docket OST-2003-15065" 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 four copies of this material. 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, although those submissions should indicate clearly where the confidential material would have been inserted. Under our practice, if you invoke Rule 12, the confidential portion of your filing will be treated as confidential unless and until we decide otherwise. All confidential material must also be received by June 30, 2003.

We recognize that a number of communities that filed applications last year were not awarded grants. Some of these communities may still be interested in pursuing the proposals that they submitted last year 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 their fiscal year 2002 proposals. Communities that are interested in doing so may adopt their 2002 applications by reference to the extent that the information in that application remains relevant. They should submit in this docket, by the due date, however, any necessary amendments and/or updates to their previous applications and include the additional information that is required in this order, including the Summary Information.

We anticipate that some communities that were awarded grants last year may also want to seek additional funds to expand projects authorized last year or for entirely new projects. Those communities are free to submit grant

those applications are publicly available in Docket OST-2002-11590 through the Department's docket management system at the following web address: <http://dms.dot.gov/>.

proposals under this year's appropriation. However, 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. The fact that the community has already received one grant under the Pilot Program would be considered carefully in comparing a new proposal with those of other applicant communities.

#### Air Service Development Zone

The statute provides that the Department will designate one of the communities awarded a grant 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 Pilot Program. Rather, the Department will serve as a liaison between the community and other government agencies with respect to the community's development plans.

Communities that are interested in this designation should clearly indicate that interest in their applications separately from their grant proposals and should provide information in support of their selection for this designation. They should also clearly indicate this interest in the appropriate place in the Summary Information.

#### Department Review and Grant Awards

The Department will carefully review each proposal and the staff may contact applicants and discuss their proposals with them if clarifications or more information is needed. Communities may amend their proposals at any time prior to the Department's selection of grant recipients and we will consider those amendments to the extent the review process permits. It is our intent to make the grant awards as quickly as possible so that communities awarded grants can complete the grant agreement process and proceed to implement their plans.

Given our experience of last year, it is likely that we will receive more applications than we will be able to fund under the limitations of the Pilot Program. We, therefore, expect to have to make many very difficult decisions. With this in mind, in making our

selections we 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 grant amount requested compared with total funds available for all communities; the proposed Federal grant amount compared with the local share offered; 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, as stated above, we will consider whether the applicant community received a grant award under last year's appropriation.

An important overreaching objective of the Pilot 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. To this end, we hope to approve, as we did last year, a variety of different and innovative proposals at many communities experiencing different types of transportation issues, challenges, and opportunities.

Given the highly competitive nature of the grant process, the Department does not intend to meet with grant applicants with respect to their grant proposals, a process that is sometimes used in other grant programs. The Department's selection of communities for grant awards will be based on the community's written submissions to the Department.

Communities awarded grants will be expected to execute a grant agreement with the Department *before* they begin to spend funds under the grant award. We also remind communities that the grant funds will be provided on a reimbursable basis 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 under this program. Expenditures made prior to the execution of a grant agreement cannot and will not be reimbursed for any reason. We also remind communities that numerous assurances are required to be made and honored when Federal funds are awarded (such as, non-discrimination, etc.); acceptance of the

responsibilities of these assurances is a requirement for receiving a grant under the Pilot Program.

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 Pilot Program should be submitted no later than June 30, 2003;<sup>11</sup> 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, the Association of County Executives, the American Association of Airport Executives (AAAE), and the Airports Council International-North America (ACI).

**Read C. Van de Water,**

*Assistant Secretary for Aviation and International Affairs.*

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

## Appendix A

### Sec. 203. Improved Air Carrier Service to Airports Not Receiving Sufficient Service

(a) *In General*—Subchapter II of chapter 417 is amended by adding at the end the following:

Sec. 41743. Airports not receiving sufficient service

(a) *Small Community Air Service Development Pilot Program*—The Secretary of Transportation shall establish a pilot 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 (as

that term is defined in section 41731(a)(5)), 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*—No more than four communities or consortia of communities, or a combination thereof, may be located in the same State.

(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]. Note: Bracketed language was added by the Emergency Wartime Supplemental Appropriations Act, 2003, Pub. L. 108–11.

(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; and

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

(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 and \$27,500,000 for each of fiscal years 2002 and 2003 to carry out this section. Such sums shall remain available until expended.

(f) *Additional Action*—Under the pilot 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

<sup>11</sup> Proposals must be postmarked no later than June 30. 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.

hub airports (as defined in section 41731(a)(3)) 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.

(b) *Conforming Amendment*—The analysis for subchapter II of chapter 417 is amended by adding at the end the following:

41743. Airports not receiving sufficient service.

## Appendix B

### Small Community Air Service Development Pilot Program

#### 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-2002-11590, but must also submit this summary information to be considered for a grant award from the FY 2003 funding for the Pilot Program in this docket.

A. Applicant Information: (Check All That Apply)

- ☐ Consortium  
☐ Community now receives EAS subsidy

Point of Contact:

Community Name \_\_\_\_\_

Address 1 \_\_\_\_\_

Address 2 \_\_\_\_\_

City, State Zipcode \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

County: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Community Name \_\_\_\_\_

Address 1 \_\_\_\_\_

Address 2 \_\_\_\_\_

City, State Zipcode \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

County: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Community Name \_\_\_\_\_

Address 1 \_\_\_\_\_

Address 2 \_\_\_\_\_

City, State Zipcode \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

County: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

#### Designated Legal Sponsor: (Must be a Government Entity)

Point of Contact:

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address 1 \_\_\_\_\_

Address 2 \_\_\_\_\_

City, State Zipcode \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

#### Public/Private Partnerships: (List Organization Names)

Public

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Private

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

#### B. Project Information

Project Proposal: (Check All that Apply)

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

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 financial contribution: \_\_\_\_\_

Airport funds: \_\_\_\_\_

Non-Airport funds: \_\_\_\_\_

State financial contribution: \_\_\_\_\_

Existing funds: \_\_\_\_\_

New funds: \_\_\_\_\_

In-kind contribution: (amount & description) \_\_\_\_\_

Total cost of project: \_\_\_\_\_

C. Air Service Development Zone: (Check Box if Interested in Designation)

D. Airport Information: (Where Service Would be Provided)

Airport Name: \_\_\_\_\_

Airport City: \_\_\_\_\_

Airport State: \_\_\_\_\_

Airport Code: \_\_\_\_\_

Airport Classification: (as of June 2002, per FAA's Airport Handbook)

- ☐ Non Hub  
☐ Small Hub  
☐ Medium Hub  
☐ Other \_\_\_\_\_

Existing Landing Aids:

- ☐ Full ILS  
☐ Outer/Middle Marker Approach  
☐ Published Instrument  
☐ Localizer  
☐ Other (specify) \_\_\_\_\_

Existing Service:

- ☐ Jet service  
☐ Low Fare Service  
☐ Turboprop

Air Carrier(s) Serving Airport:

Air Carriers

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

7. \_\_\_\_\_

8. \_\_\_\_\_

9. \_\_\_\_\_

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)

1998 \_\_\_\_\_  
 1999 \_\_\_\_\_  
 2000 \_\_\_\_\_  
 2001 \_\_\_\_\_  
 2002 \_\_\_\_\_

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: (per June 2002 FAA Handbook)

What is your closest:

Non-hub (w/jet service) Name \_\_\_\_\_

Small Hub Name \_\_\_\_\_

Medium Hub Name \_\_\_\_\_

Large Hub Name \_\_\_\_\_

Low-fare service Name \_\_\_\_\_

[FR Doc. 03-11179 Filed 5-6-03; 8:45 am]

BILLING CODE 4910-62-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Premium War Risk Insurance

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of extension of aviation insurance.

**SUMMARY:** This notice contains the text of a memo from the Secretary of Transportation to the President regarding the extension of the provision of aviation insurance coverage for U.S. flag commercial air carrier service in domestic and international operations.

**DATES:** Dates of extension from April 15, 2003 through June 13, 2003.

**FOR FURTHER INFORMATION CONTACT:**

Helen Kish, Program Analyst, APO-3, or Eric Nelson, Program Analyst, APO-3, Federal Aviation Administration, 800 Independence Ave., SW., Washington, DC 20591, telephone (202) 267-9943 or (202) 267-3090. Or online at FAA Insurance Web site: <http://insurance.faa.gov>.

**SUPPLEMENTARY INFORMATION:** On April 8, 2003, the Secretary of Transportation authorized a 60-day extension of aviation insurance provided by the

Federal Aviation Administration as follows:

Memorandum to the President

“Pursuant to the authority delegated to me in paragraph (3) of Presidential Determination No. 01-29 of September 23, 2001, and the direction of Section 1202 of the Homeland Security Act of 2002, I have extended that determination to allow for the provision of aviation insurance and reinsurance coverage for U.S. Flag commercial air carrier service in domestic and international operations for an additional 60 days.

Pursuant to section 44306(b) of Chapter 443 of 49 U.S.C., Aviation Insurance, the period for provision of insurance shall be extended from April 15, 2003, through June 13, 2003.”

/s/ Norman Y. Mineta

**Affected Public:** Air carriers who currently have Premium War-Risk Insurance with the Federal Aviation Administration.

Issued in Washington, DC on April 25, 2003.

**Nan Shellabarger,**

*Deputy Director, Office of Aviation Policy and Plans.*

[FR Doc. 03-11234 Filed 5-6-03; 8:45 am]

BILLING CODE 4910-13-M

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

[Summary Notice No. PE-2003-23]

#### Petitions for Exemption; Summary of Petitions Received

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of petition for exemption received.

**SUMMARY:** Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption, part 11 of Title 14, Code of Federal Regulations (14 CFR), this notice contains a summary of a certain petition seeking relief from specified requirements of 14 CFR. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of any petition or its final disposition.

**DATES:** Comments on petitions received must identify the petition docket number involved and must be received on or before May 27, 2003.

**ADDRESSES:** Send comments on the petition to the Docket Management System, U.S. Department of

Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number FAA-2003-14727-1 at the beginning of your comments. If you wish to receive confirmation that the FAA received your comments, include a self-addressed, stamped postcard.

You may also submit comments through the Internet to <http://dms.dot.gov>. You may review the public docket containing the petition, any comments received, and any final disposition in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Dockets Office (telephone 1-800-647-5527) is on the plaza level of the NASSIF Building at the Department of Transportation at the above address. Also, you may review public dockets on the Internet at <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** Wes Ryan (816-329-4127), Small Airplane Directorate (ACE-111), Federal Aviation Administration, 901 Locust, Kansas City, MO 64106; or Vanessa Wilkins (202-267-8029), Office of Rulemaking (ARM-1), Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591. This notice is published pursuant to 14 CFR 11.85 and 11.91.

Issued in Washington, DC, on April 30, 2003.

**Donald P. Byrne,**

*Assistant Chief Counsel for Regulations.*

#### Petitions for Exemption

*Docket No.:* FAA-2003-14727-1.

*Petitioner:* Sino Swearingen Aircraft Corporation.

*Section of 14 CFR Affected:* 14 CFR part 23, § 23.181(b).

*Description of Relief Sought:* Sino Swearingen Aircraft Corporation seeks exemption from 14 CFR part 23, § 23.181(b) for the SJ30-2 Model aircraft. The purpose of this petition for exemption is to permit a change in the SJ30-2 “Dutch Roll” stability requirements defined by 14 CFR part 23, § 23.181(b) (airworthiness Standards for Normal, Utility, Acrobatic and Commuter Category Airplanes) to those defined by 14 CFR part 25, § 25.181(b) (Airworthiness Standards for Transport Category Airplanes), as amended by Amendment 25-75.

[FR Doc. 03-11229 Filed 5-6-03; 8:45 am]

BILLING CODE 4910-13-P