



February 15, 2011

An Open Letter to the U.S. Senate: Take a First Step to Fiscal Responsibility ... Support the McCain Amendment to Eliminate the Low-Priority Essential Air Service Program!

Dear Senator:

On behalf of the 362,000-member National Taxpayers Union (NTU), I urge you to vote "Yes" on Senator John McCain's amendment to S. 223, the Federal Aviation Administration (FAA) Reauthorization Bill. Approving this amendment, which would repeal the Essential Air Service (EAS) program, is an ideal way for the Senate to demonstrate its commitment toward eliminating low-priority expenditures and beginning to restore fiscal responsibility to the federal budget.

Created in 1978 as a 10-year venture that would ease the transition to a more market-driven commercial aviation sector, EAS has, like many other federal programs, engendered constituencies that have kept the program alive far beyond any demonstrable purpose. Indeed, NTU questioned the need for EAS in the first place, given the fact that robust and competitive air services would fulfill consumers' needs more efficiently than any government subsidization scheme. Unfortunately, many of the taxpayers' worst fears about EAS have come true. The program now operates in more than 100 areas of the country, even as air travelers' choices are numerous. In fact, the Government Accountability Office concluded in 2009 that many Americans are shunning EAS-subsidized flights and airports in favor of lower-cost fares offered at hubs that are still reasonably accessible by automobile. This free-market evolution can be encouraged by easing tax and regulatory burdens on airlines and customers.

Just as other federal transportation programs like Amtrak pour tax dollars into unprofitable and low-traveled routes which consumers bypass out of preference for other commercial alternatives, EAS seems to operate more out of satisfying political considerations than addressing any perceived market defects. Your colleague Senator Coburn provided a vivid illustration of these flaws in a report, *Wastebook 2010*, late last year:

The cities of Macon and Athens, Georgia are both less than a 90-minute drive from Atlanta's Hartsfield-Jackson International airport. Despite this, the U.S. Department of Transportation subsidized 26 flights per week to and from each city at a clip of \$464 per passenger for Macon and \$135 for Athens. Passengers pay \$39 each for a seat on the 50-minute flight. ... The local newspaper reports that the Macon [service] averaged 10 passengers a day, while Athens averaged 12 EAS-subsidized flights. By law, the Department of Transportation subsidies are capped at \$200 for flights to airports less than 210 miles from a large or medium hub, which Atlanta is.

EAS's justification may always have been dubious, but in today's fiscal environment its continued existence is even less defensible. The savings at stake from passage of the McCain Amendment – \$200 million – certainly won't erase the current fiscal year's projected \$1.5 trillion deficit, but if the Senate cannot eliminate this blatant example of low-priority spending, taxpayers will have every right to question Congress's sincerity in the vital endeavor of bringing the budget back under control.

NTU has expressed concerns over several portions of the FAA bill, including the threat of higher Passenger Facility Charges and a lack of progress in moving toward a private sector-driven model for air traffic control. Senator McCain's proposal provides a key opportunity to break from the tax-and-spend philosophy that has dominated past FAA legislation and to recognize the role of commercial aviation in America's economic recovery. Once again, NTU asks that you support the McCain Amendment; roll call votes pertaining to this measure will be significantly weighted in our annual Rating of Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Sepp", written in a cursive style.

Pete Sepp
Executive Vice President