

Air Service to Small Communities

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Foreword

In October 1978, OTA undertook an assessment of the impact of advances in air transport technology. In 1980 it issued a report on advanced high-speed aircraft, and in January 1982, published Part 2—The Air Cargo System, a background paper. This is the third report in the series. It draws in part on earlier OTA staff analyses and panel proceedings, and the contributions of these individuals and the organizations they represent formed an important foundation for this report.

Air service to small- and medium-size communities is presently undergoing a rapid and sometimes disruptive transition from a regulated environment to a deregulated, competitive market. Past Government regulation has affected not only the level of service to small communities, but also the aircraft that were (or were not) developed for this market by U.S. manufacturers. Foreign aircraft (many of them government-subsidized) are starting to dominate key segments of the U.S. commuter airline fleet, and several programs have been suggested to assist U.S. aircraft manufacturers, as well as commuter airlines and the small communities they serve.

The future growth of commuter airlines will ultimately depend on their ability to provide convenient and competitive service in short-haul markets. This in turn depends on demographics and general economic conditions, the cost and availability of fuel, and access to the Nation's airport and air traffic control system, as well as the introduction of a new generation of cost-cutting aircraft. The latter, however, depends on the ability of the commuters to pay for new aircraft through profits or financing, both of which—like traffic levels—have been adversely affected by the restrictions imposed as a result of the Professional Air Traffic Controllers Organization strike.

Due to the speed of change in all of these areas, this assessment can provide only a “snapshot” of the current situation. It is hoped, however, that the report may furnish a basis for understanding the changes that are yet to come.



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NOTE: The working group provided advice and comment throughout the assessment, but the members do not necessarily approve, disapprove, or endorse the report for which OTA assumes full responsibility.

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