



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

Issued by the Department of Transportation
on the 26th day of June, 2026

Essential Air Service at

JAMESTOWN, NEW YORK

Under 49 U.S.C. § 41731 *et seq.*

DOT-OST-2003-14950

**ORDER DENYING PROPOSAL FOR RESTORATION
OF ESSENTIAL AIR SERVICE**

Summary

By this Order, the U.S. Department of Transportation (the Department) denies the May 19, 2025, joint proposal of Chautauqua County, New York and Southern Airways Express, LLC (Southern) for the restoration of Jamestown, New York to the Essential Air Service (EAS) program.

Statutory Background

49 U.S.C. § 41731(a)(1)(B) provides that a community must maintain an average of 10 enplanements per service day, as determined by the Secretary of Transportation, during the most recent fiscal year, to remain eligible for EAS. Locations in Alaska and Hawaii, and communities that are more than 175 driving miles from the nearest large or medium hub airport, are exempt from this requirement.¹ Jamestown is less than 175 miles from Buffalo, New York, the nearest large or medium hub airport. The Secretary may waive the 10-enplanement standard, on an annual basis, if the community demonstrates that the non-compliance is due to a temporary decline in enplanements.²

49 U.S.C. § 41731(a)(1)(c)(iii) prohibits the Department from subsidizing EAS to communities located within the 48 contiguous States that require an average subsidy per passenger exceeding \$650 (“Subsidy Cap”) during the most recent fiscal year, for locations that are less than 175 miles from the nearest large or medium hub airport.³ 49 U.S.C. § 41731(e) authorizes the

¹ 49 U.S.C. § 41731(d).

² 49 U.S.C. § 41731(e).

³ As amended by the FAA Reauthorization Act of 2024, Pub L. No. 118-63, May 16, 2024, 138 Stat 1025, 1215 (“FAA 2024”).

Secretary of Transportation to waive the Subsidy Cap, on a case-by-case basis, for a limited period of time.

Communities that have had their EAS eligibility terminated by the Department due to non-compliance with the 10-enplanement standard or the Subsidy Cap may apply, jointly with an air carrier, to the Department for restoration to the EAS Program.⁴ Pursuant to 49 U.S.C. § 41733(g)(2)(B), the Department shall restore a community's EAS eligibility if the Secretary determines that:

- i. the rate of subsidy per passenger under the proposal does not exceed the subsidy cap;
- ii. the proposal is likely to result in an average number of enplanements per [service] day that will satisfy the requirement in section 41731(a)(1)(B); and
- iii. the proposal is consistent with the legal and regulatory requirements of the essential air service program.⁵

Jamestown Background

In Order 2016-8-26 (August 25, 2016), the Department selected Southern Airways Express, LLC to provide EAS for the community of Jamestown, which is served by Chautauqua County Jamestown Airport (JHW). Southern provided Jamestown with 24 weekly nonstop roundtrip flights to Pittsburgh International Airport (PIT) on 9-passenger Cessna Caravan aircraft. In carrying out the required compliance review, on September 29, 2017, the Department issued Order 2017-9-23, tentatively finding several communities, including Jamestown, to be noncompliant with either the 10-enplanement standard or the Subsidy Cap during Fiscal Year (FY) 2016.⁶ The show cause order that was finalized by Order 2017-9-23 also found that, in FY 2015, Jamestown had 5.3 passenger enplanements per day and a subsidy per passenger of \$544, exceeding the \$200 subsidy cap in effect at that time. In response to this show cause order, Chautauqua County and Jamestown petitioned the Department for waiver of these requirements during FY 2016. By Order 2017-12-2 (December 29, 2017), the Department denied the petition and terminated EAS eligibility for Jamestown. The Department observed that Jamestown was one of only five communities that (1) had EAS during FY 2016 and (2) did not comply with either eligibility requirement. Of the five communities, Jamestown had the second highest per passenger subsidy and was among the lowest for average daily enplanements.

Regarding the Subsidy Cap, the final compliance order observed that Jamestown's subsidy per passenger in FY 2016 was \$460, meaning that passenger levels would have to increase dramatically to 10,136 total passengers—a level not attained by the community since FY 2005—in order for Jamestown to become compliant with the Subsidy Cap. The order also found that JHW is only 61 miles from Erie International Airport (ERI), which is served by three major air

⁴ 49 U.S.C. § 41733(g)(1).

⁵ 49 U.S.C. § 41733(g)(2)(B).

⁶ Order 2016-5-17 (May 20, 2016). In FY2016, the Subsidy Cap was \$200 and applied to communities that were within 210 miles of a large- or medium-hub airport. See "The Department of Transportation and Related Agencies Appropriations Act, 2000," Pub. L. No. 106-69, Oct. 9, 1999; and "Final Notice of Enforcement Policy," Oct. 9, 2014, 79 Fed. Reg. 60951.

carriers, and noted that the proximity of ERI makes it challenging for the community to satisfy the 10-enplanement standard.

Taking these factors into account, the Department stated that “it appears highly unlikely that the community would come into compliance in the future,” and thus Jamestown failed to satisfy the statutory standard for grant of waiver of the 10-enplanement standard (community must “demonstrate that the non-compliance is due to a temporary decline in enplanements”),⁷ and also failed to persuade the Department to grant a discretionary waiver of the Subsidy Cap.

Several months later, Jamestown, Chautauqua County, and Boutique Air filed a joint proposal for restoration of EAS under 49 U.S.C. § 41733(g). The Department denied that proposal by Order 2019-2-8 (February 8, 2019), stating in pertinent part:

The conditions and rationale identified in Order 2017-12-2 to deny Jamestown’s petition for waiver continue to apply. Given Jamestown’s close proximity to several other commercial service airports and our analysis of Jamestown’s historical passenger levels and subsidy needs, the Department finds that the joint proposal submitted by Chautauqua County and Boutique Air is not reasonable. The carrier, offering service on 8- or 9-seat aircraft, forecasts that the service would generate 12,564 passengers, a level not attained since Calendar Year 2005. Secondly, the Department finds that the 74 percent load factor, on a year-round basis, is also overly optimistic. The number of passengers in FY 2016 totaled 4,408, or about 1.8 passengers on each of four round trips, which represents about a 20 percent load factor. Thus, the proposal is not likely to result in an average of ten or more enplanements per [service] day, and, therefore, the Department cannot determine that the rate of subsidy per passenger does not exceed the Subsidy Cap. For these reasons, the Department denies Jamestown’s request for restoration in the EAS program.

Summary of New Proposal for Restoration

On May 19, 2025, Chautauqua County and Southern submitted a new joint proposal for restoration of EAS to Jamestown. The joint proposal specifies two options: 12 weekly nonstop round-trips to Washington Dulles International Airport (IAD), or 17 weekly nonstop round trips to IAD, utilizing 9-seat Cessna C-208B Grand Caravan EX single-engine turboprop aircraft. Option A estimates 6,642 annual passengers filling the 11,070 available seats, representing a 60% passenger load factor. Option B estimates 9,407 annual passengers filling the 15,678 available seats, also representing a 60% passenger load factor. The total annual subsidy requested for Option A is \$3,641,434 for year one, and \$4,053,386 for Option B. The local business and civic community have proposed \$147,000 annually in cash funding, and \$151,000 annually in in-kind contributions, to support the EAS. The joint proposal also identifies other factors, such as a new flight schedule that will promote “consistently high load factors” and a marketing plan that would contribute to the success of the restored EAS.

⁷ 49 U.S.C. § 41733(g)(2)(B)(ii).

The application was supported by the New York State Department of Transportation, the Chautauqua Lake Partnership, the Southwestern Central School District, the Falconer School District, and a local business.

Decision

As stated above, the law provides that the Department shall restore EAS to Jamestown if, in response to the proposal, the Secretary determines that:

- i. the rate of subsidy per passenger under the proposal does not exceed the subsidy cap;
- ii. the proposal is likely to result in an average number of enplanements per [service] day that will satisfy the requirement in section 41731(a)(1)(B); and
- iii. the proposal is consistent with the legal and regulatory requirements of the essential air service program.

The current subsidy cap per passenger for a community, such as Jamestown, that is less than 175 miles from the nearest large or medium hub airport, is \$650.⁸ The joint proposal estimates 6,642 annual passengers for Option A and 9,407 annual passengers for Option B from JHW to IAD. Based on that figure, the requested subsidy of \$3,641,434 for Option A, and \$4,053,386 for Option B, results in an estimated subsidy per passenger of \$548 and \$431 per passenger respectively, potentially meeting the requirement outlined in 49 U.S.C. § 41733(g)(2)(B)(i).

However, even though the joint proposal's *estimate* of 6,642 to 9,407 annual outbound and inbound passengers results in (at best) 10.6 passenger enplanements per service day at JHW for Option A, and 15.0 passenger enplanements per service day for Option B,⁹ the Department nevertheless does not find that the proposal "is likely to result" in an average of at least ten enplanements per service day as required by 49 U.S.C. § 41731(a)(1)(B). The joint proposal's forecasted 6,642 or 9,407 annual passengers—a level of passengers not attained at Jamestown since Calendar Year 2013 and 2006 respectively—is the result of an estimated 60% load factor from 11,070 and 15,678 available seats respectively, a figure the Department finds to be unrealistic. More specifically, in FY 2016, the most recent year of EAS at Jamestown, a total of 4,408 passengers were transported to or from Jamestown on the EAS carrier at that time, Southern, for a load factor of approximately 20 percent.¹⁰ There is no evidence in the record to support that since that time there has been a change in demand at the community sufficient to increase load factors from 20 to 60%. There is also no evidence in the record to support that Southern has the ability to grow community demand for EAS in a community by such a significant volume. Indeed, the evidence in the record is to the contrary, as Southern was the air carrier that was serving the Jamestown community at the time when it had load factors of only 20%. Therefore, the Department cannot find that the joint proposal is *likely* to result in the

⁸ 49 U.S.C. § 41731(a)(1)(C)(iii).

⁹ A community is required by statute to have at least 10 enplanements per *service day*. Basic EAS here requires flights at least six days per week. *See* 49 U.S.C. § 41732(b)(1)(A). Six service days per week results in approximately 10.5 or 15.0 enplanements per day (6,642 or 9,407 outbound and inbound passengers annually ÷ 2 ÷ 313 service days annually).

¹⁰ In FY16, the Department selected Southern to provide 24 weekly round trips (48 flights total) on 9-seat aircraft. 48 x 52 x 9 x 97.5 percent completion = 21,902 total seats.

significant enplanement increase (to at least 6,260 total outbound and inbound passengers) needed to generate 10 enplanements per service day at Jamestown.

The Department requested the full air service study commissioned by Chautauqua County and was provided only with a PowerPoint presentation.¹¹ The Department has reviewed the presentation, and finds that there is no evidence suggesting the market has fundamentally changed since 2018 when Jamestown was removed from the EAS program. Despite the presentation asserting that there is demand in the local area, the conditions that led to high subsidy rates and low enplanements (e.g. Jamestown's close proximity to several other commercial airports¹²) continue to persist.

For these reasons, the Department denies the proposal of Chautauqua County and Southern for the restoration of Jamestown to the EAS program.

This Order is issued under authority delegated in 49 CFR § 1.25a(b)(6)(ii)(D), as further authorized by 49 CFR § 1.60(b).

Accordingly,

1. The Department denies the joint proposal of Chautauqua County, New York, and Southern Airways Express, LLC, dated May 19, 2025, for restoration of Jamestown, New York, to the Essential Air Service program;
2. The Department will serve a copy of this Order on the civic officials of Chautauqua County and Jamestown, New York, and Southern Airways Express, LLC.

By:

ANTHONY B. KRAWIETZ
Deputy Assistant Secretary
for Aviation and International Affairs

(SEAL)

An electronic version of this document is available at
www.regulations.gov

¹¹ See Chautauqua County Jamestown Airport - JHW Airport Catchment Analysis - CY 2023 - July 2024 available at <https://www.regulations.gov/document/DOT-OST-2003-14950-0200>.

¹² Jamestown is approximately 60 miles, or a one-hour drive, from Erie International Airport in Erie, PA, which has service on American Airlines and Breeze Airways. It is also about 76 miles, or an hour and a half drive, from Buffalo Niagara International Airport in Buffalo, NY, a medium hub, with service from at least seven major airlines.