

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.⁹

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.¹⁰

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

¹⁰ 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