



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

Issued by the Department of Transportation
on the January 30, 2026

Essential Air Service at

LANCASTER, PENNSYLVANIA
(FAIN 69A3452660591)¹

DOT-OST-2002-11450

under 49 U.S.C. § 41731 *et seq.*

ORDER SELECTING AIR CARRIER

Summary

By this Order, the U.S. Department of Transportation (the Department) selects SkyWest Airlines, Inc. (SkyWest), marketed as United Express, to provide Essential Air Service (EAS) at Lancaster, Pennsylvania (Lancaster) for the four-year term from March 1, 2026, through December 31, 2029. SkyWest will provide Lancaster with 12 round trips per week from Lancaster Airport (LNS) to Chicago O'Hare International Airport (ORD) using 50-passenger Bombardier CRJ200 (CRJ200) aircraft. SkyWest will be compensated at the following annual subsidy rates:²

<u>Air Carrier</u>	<u>Option</u>	<u>Aircraft</u>	<u>Annual Subsidy</u>	<u>Weekly Frequency</u>	<u>HUB</u>
SkyWest	Year One	50-seat CRJ200	\$ 5,173,875	12	ORD
SkyWest	Year Two	50-seat CRJ200	\$ 5,329,091	12	ORD
SkyWest	Year Three	50-seat CRJ200	\$ 5,488,964	12	ORD
SkyWest	Year Four	50-seat CRJ200	\$ 5,653,633	12	ORD

Background

By Order 2021-10-13, issued on October 29, 2021, the Department selected Southern Airways Express, LLC (Southern) to provide EAS at Lancaster for a four-year term from January 1, 2022, through December 31, 2025. Under the terms of that order, as extended, Southern provides Lancaster with 30 weekly round trips to Washington Dulles International Airport (IAD) and

¹ Federal Award Identification Number

² The subsidy is calculated on a fiscal year basis, subject to the availability of funds.

Pittsburgh International Airport (PIT), using 9-seat Cessna Caravan aircraft, at the current annual subsidy rate of \$3,101,626.³

As the expiration of the current contract approached, the Department issued Order 2025-7-14 on July 22, 2025, requesting proposals from air carriers interested in providing EAS for a new term at Lancaster. In response, five air carriers submitted proposals for consideration. Air Wisconsin Airlines LLC (Air Wisconsin) proposed service to Philadelphia International Airport (PHL) and ORD. Boutique Air (Boutique) proposed service with options to Baltimore/Washington International Thurgood Marshall Airport (BWI), IAD, and PIT. Breeze Airways (Breeze) proposed service to Raleigh-Durham International Airport (RDU). Southern proposed service to IAD and PIT, and SkyWest proposed service to ORD. A summary of the proposals is shown in the table below.

Summary of Air Carrier Proposals

<u>Air Carrier</u>	<u>Option</u>	<u>Aircraft</u>	<u>Annual Subsidy</u> <u>(Year One)</u>	<u>Weekly</u> <u>Frequency</u>	<u>HUB</u>
Air Wisconsin	Option 1	50-seat CRJ200	\$ 4,315,806	12	PHL
Air Wisconsin	Option 2	50-seat CRJ200	\$ 4,951,889	12	PHL/ORD
Boutique	Option 1	8- or 9- seat Single-Engine Pilatus PC-12	\$ 5,594,246	30	PIT/BWI
Boutique	Option 2	8- or 9- seat Single-Engine Pilatus PC-12	\$ 4,196,420	30	BWI
Boutique	Option 3	8- or 9- seat Single-Engine Pilatus PC-12	\$ 6,074,338	30	PIT
Breeze	Option 1	137-seat Airbus A220-300	\$ 4,996,757	12	RDU
Breeze	Option 2	137-seat Airbus A220-300	\$ 2,995,132	7	RDU
Southern	Option A	9-seat Cessna C-208 Caravan	\$ 4,596,987	30	PIT/IAD
Southern	Option B	9-seat Cessna C-208 Caravan	\$ 3,821,260	30	IAD
SkyWest	Option1	50-seat CRJ200	\$ 5,173,875	12	ORD

On September 10, 2025, Air Wisconsin sent a letter to the Department withdrawing its proposal.⁴ Therefore, Air Wisconsin's proposal will not be considered for selection under this Order.

The complete public file, including air carrier proposals, for EAS at Lancaster may be accessed online through the Federal Docket Management System at www.regulations.gov by entering the community's docket number (DOT-OST-2002-11450) in the "Search" field.

Community and State Comments

On August 20, 2025, the Department requested comments from the community of Lancaster regarding this EAS carrier-selection case. The Lancaster Airport Authority and elected officials of Lancaster overwhelmingly supported SkyWest.⁵ In a letter dated September 3, 2025, the Airport Authority stated:

³ On January 2, 2026, the Department issued Order 2025-12-14 extending the EAS obligation of Southern at Lancaster for an additional four months, from January 1, 2026, through April 30, 2026, or until the air carrier selection process concludes and EAS begins under a new contract.

⁴ See "Air Wisconsin Airlines LLC (Withdrawal of EAS Process)," September 10, 2025, available at www.regulations.gov/document/DOT-OST-1997-2761-0149.

⁵ In addition, the Honorable John Fetterman, Senator for Pennsylvania expressed support for SkyWest's proposal. See "Honorable John Fetterman (Correspondence)," available at <https://www.regulations.gov/document/DOT-OST-2002-11450-0188>.

After careful review at a special board meeting on August 27, 2025, the Lancaster Airport Authority unanimously voted to support SkyWest Airlines' proposal to serve Chicago O'Hare as our top choice, with Breeze Airways' proposal for 12 weekly roundtrips to Raleigh-Durham as our second choice. For more than two decades, Lancaster has endured unbranded, underused, and unreliable turboprop service, which has constrained passenger growth and limited access for our region's 500,000 residents.⁶

In a letter dated September 15, 2025, the Honorable Danene Sorace, Mayor of Lancaster, expressed support for SkyWest's proposal, writing:

SkyWest's proposal represents a transformative opportunity for Lancaster. With a proven record of serving EAS communities, an extensive operational footprint, and the global connectivity of United Airlines through Chicago O'Hare, SkyWest is uniquely positioned to deliver the branded, reliable regional jet service that the Lancaster community has long sought. This service will significantly improve reliability, expand access to domestic and international destinations, and create a foundation for long-term passenger growth.⁷

The Department also received several letters from Lancaster-area residents, and most of these letters expressed support for service by Breeze to RDU. Several residents supporting Breeze commented on the convenience of visiting family members in Raleigh, and some expressed their satisfaction with Breeze's current service from Lancaster to Orlando. Other residents stated general support for jet service to ORD, and some residents expressed dissatisfaction with smaller aircraft, citing concerns regarding inconvenience, delays, and safety, especially during bad weather.

Decision

49 U.S.C. § 41733(c)(1)⁸ directs the Department to consider, among other things, five specific factors when making an air carrier selection for a community not in Alaska where basic EAS will not be provided without compensation: (A) the demonstrated reliability of the applicant in providing scheduled air service; (B) the contractual, marketing, code-share, or interline arrangements the applicant has made with a larger air carrier serving the hub airport; (C) the preferences of the actual and potential users of air transportation at the eligible place, including the views of the elected officials representing the users; (D) whether the air carrier has included a plan in its proposal to market its services to the community; and (F) the total compensation proposed by the air carrier for providing scheduled air service.⁹ In addition, for a place not in Alaska, 49 U.S.C. § 41732(b)(1)(A) requires basic EAS to include at least two daily round trips six days a week. Because each EAS carrier-selection case is unique, the Department considers these factors in the context of the specific facts and circumstances of each EAS community,

⁶ See "Lancaster Airport Authority (Correspondence)," available at <https://www.regulations.gov/document/DOT-OST-2002-11450-0187>.

⁷ See "Honorable Danene Sorace (Correspondence)," available at <https://www.regulations.gov/document/DOT-OST-2002-11450-0189>.

⁸ As amended by the FAA Reauthorization Act of 2024, Pub L. No. 118-63, May 16, 2024, 138 Stat. 1025, 1215 ("FAA 2024").

⁹ 49 U.S.C. § 41733(c)(1)(E) only applies to EAS operations in Alaska.

including its air service history, its experiences with EAS air carriers, and the specific facts of the current case.

Upon review of the eligible proposals, the Department finds that SkyWest's proposal best aligns with the air carrier selection factors the Department is required to consider. SkyWest has more than 40 years of experience in the EAS program and has demonstrated its reliability at many communities across the continental United States. SkyWest has proposed to provide service to ORD, which is a large hub airport, and SkyWest's codeshare with United Airlines, which operates a hub at ORD, will provide Lancaster passengers numerous connections to the national air transportation system. SkyWest also included a plan to market its service. In addition, SkyWest's proposal received strong support from Lancaster's elected leadership, including from the Mayor and the Airport Authority, and some residents expressed support for jet service to ORD. The Department further finds that SkyWest's proposal aligns well overall with the factor regarding total compensation, given SkyWest's demonstrated reliability, community support, and ability to provide Lancaster passengers with codeshare service to a large hub, all at a subsidy cost that falls within the range of available bids.

With respect to the competing proposals, the Department notes that Boutique obtained community support from only one resident. While the incumbent Southern received support from some residents,¹⁰ the Lancaster Airport Authority described Southern's current service as "unbranded, underused, and unreliable turboprop service," and some community members expressed concerns similar to those of the Airport Authority.¹¹ Breeze's proposal for service to RDU, a medium hub, did receive substantial support from community members and was the second choice of the Airport Authority. Nonetheless, Breeze's Option 2 proposal does not meet the minimum service requirements set out in 49 U.S.C. § 41732(b) and is therefore not selectable by the Department in this case, and Breeze's Option 1, while meeting the minimum service requirements, does not align as well overall as SkyWest's proposal, which provides large hub access and a codeshare arrangement with a larger air carrier at a similar cost. Breeze lacks any arrangements with larger air carriers and Breeze's proposed hub of RDU would offer fewer connectivity options than ORD, the hub proposed by SkyWest.

Based on the Department's consideration of the five factors set forth in 49 U.S.C. § 41733(c)(1) in this case, the Department finds that SkyWest's proposal aligns best overall with the statutory air carrier selection factors required for consideration, and the Department finds both its service proposal and subsidy levels to be reasonable. Accordingly, the Department selects SkyWest to provide EAS at Lancaster for a four-year term.

Service Transition

The Department expects Southern and SkyWest to work together to make a smooth transition at Lancaster with no service hiatus. Before Southern suspends service, the Department expects the air carrier to notify all passengers holding reservations for travel after the suspension date, to assist those passengers in making alternate air transportation arrangements, or to provide a full refund of the ticket price, without penalty, if requested.

¹⁰ See "Community Comments" available at <https://www.regulations.gov/document/DOT-OST-2002-11450-0180>.

¹¹ See "Community Comments" available at <https://www.regulations.gov/document/DOT-OST-2002-11450-0180>.

Reminder About EAS Eligibility

To remain eligible for EAS, communities must comply with all applicable EAS eligibility requirements. The Department notes that many of the eligibility requirements, including those below, do not currently apply, pursuant to the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Pub. L. No. 119-37 (November 12, 2025). However, unless Congress waives these eligibility criteria for future fiscal years, compliance may resume as early as Fiscal Year 2026.

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, during the most recent fiscal year, to remain eligible for EAS. Communities, such as Lancaster, that are *fewer* than 175 driving miles from the nearest large or medium hub airport are subject to this requirement.¹²

As amended by FAA 2024, 49 U.S.C. § 41731(a)(1)(C)(iii)¹³ requires that EAS communities fewer than 175 driving miles from the nearest large or medium hub airport have an average subsidy per passenger, as determined by the Secretary, of less than \$650. Lancaster is subject to this requirement because it is *fewer* than 175 driving miles from the nearest large- or medium-hub airport.

All EAS communities, except for those in Alaska and Hawaii, also must have had an average subsidy per passenger of less than \$1,000 during the most recent fiscal year, regardless of driving miles to the nearest large- or medium-hub airport.¹⁴ Effective October 1, 2026, this amount is reduced to less than \$850.¹⁵

Under 49 U.S.C. § 41731(e)(1), the Secretary may waive, on an annual basis, subsections (a)(1)(B) and (a)(1)(C)(iii) with respect to an eligible place if such place demonstrates to the Secretary's satisfaction that the reason the eligibility requirements of such subsections are not met is due to a temporary decline in demand. Limitations on these waivers begin October 1, 2026, when the Secretary may not provide a waiver for any community (a) in more than two consecutive fiscal years; or (b) in more than five fiscal years within 25 consecutive years.¹⁶

The Department expects SkyWest and Lancaster to work together to ensure that the community will comply with the applicable requirements. Communities that fail to comply with the applicable above requirements may risk having their eligibility in the EAS program terminated. In the event the Department terminates a community's eligibility for EAS due to lack of compliance, that action will supersede this Order.

¹² See 49 U.S.C. § 41731(d).

¹³ Under 49 U.S.C. § 41731(c), this requirement does not apply to EAS-eligible communities located in the states of Alaska and Hawaii.

¹⁴ See 49 U.S.C. § 41731(a)(1)(C)(i), as amended by FAA 2024.

¹⁵ See 49 U.S.C. § 41731(a)(1)(C)(ii), as amended by FAA 2024.

¹⁶ 49 U.S.C. § 41731(e), as amended by FAA 2024.

Air Carrier Fitness

49 U.S.C. §§ 41737(b) and 41738 require that the Department find an air carrier fit, willing, and able to provide reliable service before the Department may subsidize it to provide EAS.

SkyWest is subject to the Department's continuing fitness requirements, and no information has come to the Department's attention that would cause the Department to question the air carrier's fitness at this time. In addition, the Federal Aviation Administration has not raised concerns that would negatively affect the Department's fitness findings. The Department therefore concludes that SkyWest remains fit to conduct the operations proposed at Lancaster.

This Order is issued under authority redelegated by the Under Secretary of Transportation for Policy in 49 CFR § 1.25a(b)(6)(ii)(D), as further authorized under 49 CFR § 1.60(b).

Accordingly,

1. The Department selects SkyWest Airlines, Inc. to provide Essential Air Service at Lancaster, Pennsylvania, from March 1, 2026, through December 31, 2029, in accordance with the proposal set forth in Appendix A, and establishes the annual subsidy rates as described in Appendix B, page 1;
2. The Department makes this selection contingent upon receiving properly executed certifications from SkyWest Airlines, Inc. that it is in compliance with the Department's regulations regarding drug-free workplaces and nondiscrimination, as well as the regulations concerning lobbying activities;¹⁷
3. The Department directs SkyWest Airlines, Inc. to retain all books, records, and other source and summary documentation to support claims for payment, including copies of flight logs for aircraft used to provide EAS under this Order and sold or disposed of, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. This documentation shall be retained for three years from the last day of service under this Order, or such longer period as the Department may notify the air carrier. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. The air carrier may forfeit its compensation for any claim that is not supported under the terms of this Order;
4. The Department finds that SkyWest Airlines, Inc. is fit, willing, and able to perform Essential Air Service at Lancaster, Pennsylvania;
5. This docket will remain open pending further Department action; and

¹⁷ See (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; (3) 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs or activities receiving federal financial assistance; (4) 14 CFR Part 382 – Nondiscrimination on the basis of disability in air travel; (5) 49 CFR Part 32 – Governmentwide requirements for drug-free workplace (financial assistance); and (6) 2 CFR Part 1200 – Non-procurement suspension and debarment. The certifications are available online under “Reports and Publications” at <http://www.transportation.gov/office-policy/aviation-policy/essential-air-service-reports>.

6. The Department will serve copies of this Order on the of Mayor of Lancaster, Pennsylvania, the Lancaster Airport Authority, Boutique Air, Breeze Airways, SkyWest Airlines, Inc., and Southern Airways Express, LLC.

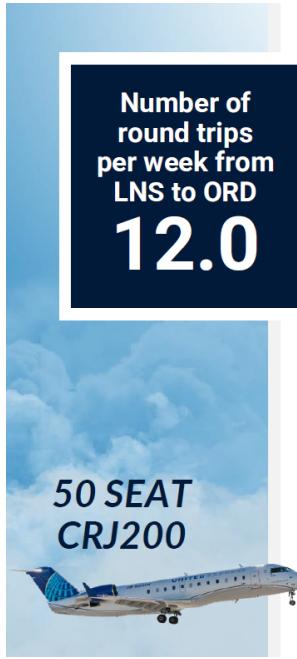
By:

CINDY A. BARABAN
Deputy Assistant Secretary
for Aviation and International Affairs

(SEAL)

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

Proposal of SkyWest at Lancaster



Passenger Revenue	
Passengers	28,080
Revenue	\$ 3,510,000
Block Time	
Trip block time	120
Total scheduled block time	2,496
Total completed block time	2,421
RPMs	
Passengers	28,080
Stage length	620
Total RPMs	17,409,600
ASMs	
Scheduled departures	1,248
Completed departures	1,211
Stage length	620
Available Seats	50
Total ASMs	38,688,000
Revenue	\$ 3,510,000
Marketing costs	\$ 25,000
Direct operating expenses	\$ 4,889,242
Departure related	\$ 2,995,543
ASM related	\$ 360,572
Total expenses	\$ 8,270,357
Operating income (loss)	\$ (4,760,357)
5% profit margin	\$ 413,518
Annual subsidy requirement (Year 1)	\$ 5,173,875
Annual subsidy requirement (Year 2)	\$ 5,329,091
Annual subsidy requirement (Year 3)	\$ 5,488,964
Annual subsidy requirement (Year 4)	\$ 5,653,633
Effective subsidy rate per unit	
Subsidy per trip	\$ 4,274
Subsidy per passenger	\$ 184
Load factor	45%

SkyWest will dedicate \$25,000 annually to market air service

SkyWest Airlines, Inc.
Essential Air Service to be provided at Lancaster, Pennsylvania
DOT-OST-2002-11450

Contract Term:¹ March 1, 2026, through December 31, 2029

Year 1 Annual Subsidy: \$5,173,875
Year 2 Annual Subsidy: \$5,329,091
Year 3 Annual Subsidy: \$5,488,964
Year 4 Annual Subsidy: \$5,653,633

Hubs: Chicago O'Hare International Airport (ORD)

Scheduled Service: 12 round trips per week

Aircraft/Seats: 50-passenger CRJ200

Year 1 Subsidy Rate per Flight:² \$4,272
Year 2 Subsidy Rate per Flight: \$4,401
Year 3 Subsidy Rate per Flight: \$4,533
Year 4 Subsidy Rate Per Flight: \$4,669

Year 1 Weekly Ceiling:³ \$102,538
Year 2 Weekly Ceiling: \$105,614
Year 3 Weekly Ceiling: \$108,782
Year 4 Weekly Ceiling: \$112,046

¹ Year 1: March 1, 2026, through December 31, 2026; Year 2: January 1, 2027, through December 31, 2027; January 1, 2028, through December 31, 2028; January 1, 2029, through December 31, 2029.

² Annual compensation divided by 1,211 annual flights (1.248 multiplied by 97 percent completion).

³ 24 flights per week multiplied by rate per flight.

Note:

The air carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The air carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight. Absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the air carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the air carrier contemplates any such changes beyond the scope of the Order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement air carrier to provide service on these routes. The air carrier must complete all flights that can be safely operated. Flights that overly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community. In the event the air carrier provides notice that it is ending, suspending, or reducing basic essential air service, the air carrier must conform with all requirements under 49 U.S.C. § 41734, including any contract termination penalties or conditions on compensation that the Secretary of Transportation incorporates in this EAS subsidy contract.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated service amounts, the air carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and air carrier do not constitute a total or partial reduction or cessation of payment. Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time.

Funds may not be available for performance under this Order beyond January 30, 2026. The Government's obligation for performance under this Order beyond January 30, 2026, is subject to the availability of funds from which payment for services can be made. No legal liability on the part of the Government for any payment may arise for performance under this order beyond January 30, 2026, until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond January 30, 2026, the Department will provide notice in writing to the air carrier. If a new EAS contract has not been awarded by the expiration date of the contract term, the Department and the carrier may agree to an extension to avoid a hiatus in service while the Department completes an EAS selection proceeding.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31; August claims must be submitted by November 30, and so on.