

D R A F T

**MINUTES OF NEWPORT-ASTORIA AIRLINE CONSORTIUM MEETING
JULY 2, 2009
9:30 A.M.
VIA TELEPHONE FROM VARIOUS LOCATIONS**

CALL TO ORDER

Bain called the meeting to order at 9:33 A.M. Those in attendance were: William Bain, Dennis Reno, Mark McConnell, Jim Voetberg, Penelope McCarthy, and Peggy Hawker from the City of Newport; Larry Pfund, Jack Crider, John Overholser, Lesle Palmeri, Dan Hess, and Lori Durheim from the Port of Astoria; Dan Clem from the Oregon Department of Aviation; Kent Craford, Steven Fox, John Lansing, Jim Day, Matt Kyler, and others from SeaPort Airlines.

ADDITIONS/DELETIONS AND APPROVAL OF AGENDA

Clem suggested that these discussions be considered confidential. MOTION was made by Clem, seconded by Pfund, to enter executive session for contract discussion. The motion carried unanimously in a voice vote. The Consortium entered executive session at 9:39 A.M.

MOTION was made by Reno, seconded by Pfund to leave executive session. The Consortium left executive session at 9:40 A.M.

DISCUSSION OF AIR SERVICE CONTRACT, TIMEFRAMES, AND DELIVERABLES

Bain asked whether Consortium members had received a copy of the timeframes and deliverables dated July 2, 2009. He noted that this document had been developed as an aid to the Consortium and SeaPort.

INTERLINE TICKETING AGREEMENT

It was noted that the contractual obligation has not been met, and a discussion ensued regarding what should occur. Clem noted that it should be documented that SeaPort is in non-compliance, although it appears that the ticketing piece would occur through the ticketing software that SeaPort is in the process of purchasing. A discussion ensued regarding whether Type A ticketing software meets the intent of the interline ticketing requirement. It was suggested that SeaPort receive written notification that it is out of compliance with the contract, and that if Type A ticketing is acceptable, SeaPort should

advise the Consortium as to the date it will be functional, along with a narrative regarding how the Type A software will replace the interline ticketing agreement required by the contract. MOTION was made by Crider, seconded by Reno, that McCarthy draft a letter to SeaPort requesting information about the substitutability of the Type A software as a replacement for the interline ticketing provision, and authorize Bain to sign the letter. The motion carried unanimously in a voice vote.

INTERLINE BAGGAGE AGREEMENT

A discussion ensued regarding how this provision should be monitored. Crider reported that the update could occur by telephone.

MARKETING PLAN

It was noted that the marketing plan was scheduled to be in place 45 days prior to the start of service. It was agreed to send SeaPort an e-mail indicating that the Consortium is looking forward to receiving the marketing plan today.

CONTRACT TIMEFRAMES AND DELIVERABLES DOCUMENT DISCUSSION

A discussion ensued regarding the proposed timeframes and deliverables document. It was asked whether the Consortium would like to make this its final copy and present it to SeaPort. Clem asked whether there was an expectation that SeaPort would produce survey cards and report the results to the Consortium. It was added that the survey questions should be posed to all passengers – not just placed in seatbacks.

It was noted that the city's finance department does not believe it is receiving sufficient detail to support the grant funding requirements. Clem noted that the detail seems sufficient. Bain suggested that the Consortium receive additional support to the numbers by category indicating the monies spent on each type of media. Clem agreed to check with Marty Anderson at ODOT to see if he needs additional detail in the reports. McCarthy noted that the Consortium could provide SeaPort with a copy of the grant reporting expectations. Staff agreed to revise the deliverables document and provide a copy of the ODOT contract to SeaPort.

McCarthy noted that she is unsure whether Exhibit A was ever distributed to SeaPort, and agreed to provide SeaPort with a copy, and it addresses flow down terms to the contractor.

Clem suggested that Consortium members should have a discussion and be unified regarding schedule changes before engaging with SeaPort. Bain stated that he believes that patronage would suffer without nonstop service from Newport. He asked the Consortium to formulate ideas for discussion at the next meeting. It was noted that the Consortium needs ridership details on each of the roundtrips, along with a ticket price analysis showing how many passengers are flying and at what fares. Pfund asked whether the morning flight to Astoria could be a freight flight.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:52 A.M.