

December 18, 2009
10:00 A.M.
Newport, Oregon

CALL TO ORDER

Chair Bain meeting was called to order at 10:00 A.M. In attendance were: Bill Bain, Mark, McConnell, Penelope McCarthy, and Peggy Hawker from Newport, Jack Crider, Jack Bland, John Overholser, and Larry Pfund (via telephone) from Astoria, Larry Dalrymple (via telephone) from the Oregon Department of Aviation, Jim Day, Matt Kyler, Rob McKinney and John Lansing from SeaPort Air (all via telephone). Also in attendance were Walter Sherman and Steve Schuster from the Depoe Bay Beacon, Larry Coonrod from the Newport News-Times, and Bruce Conner (in Astoria and via telephone).

APPROVAL OF MINUTES – NOVEMBER 20, 2009

MOTION was made by Crider, seconded by Dalrymple, to approve the minutes of the November 20, 2009 meeting. The motion carried unanimously in a roll call vote.

PASSENGER FACILITY CHARGE

McCarthy reported that she had sent a letter to PDX regarding the passenger facility charges. There is no response yet.

SURVEY CARD UPDATE

Kyler reported that the passenger survey card has been revised, and asked for Consortium review and approval before it is printed. McConnell asked whether SeaPort has developed an incentive plan to get people to complete the card. Kyler reported that once the cards are printed, SeaPort can develop incentive plans. McConnell encouraged SeaPort to keep this project on the burner. MOTION was made by Crider, seconded by McConnell, to approve the updated survey card. The motion carried unanimously in a roll call vote.

Comment [MSOffice1]: Add this to agenda for Jan meeting

AIR SERVICE MONTHLY MARKETING REVIEW

Kyler noted that the process of providing the marketing review early works well. It was reported that the Jantzen Beach CBS billboard went on-line on December 3. He added that much of the 2010 marketing planning will stem from working with the Airline Sustainability Task Forces. Bain encouraged additional hotel coop activity on the central coast. Bain reported that he has noticed radio ads in Newport, and is aware that SeaPort Air is an official sponsor of the 2010 Seafood and Wine Festival. McConnell stated that

Comment [MSOffice2]: In Newport's case, it is more likely it will be Destination Newport.

Comment [MSOffice3]: What does this mean?

he hopes SeaPort refocuses on local awareness because there is a deficit. He added that the survey results show that people are finding out about the service, but it would be interesting to find out how they are finding out, and how we can strengthen that. McConnell asked whether SeaPort has a referral incentive program. Kyler reported that the board is looking at this, and it is on the radar for 2010.

Comment [MSOffice4]: On agenda – again under incentives?

Crider asked about the allocation of marketing monies, and the process SeaPort uses to divide marketing dollars. Day stated that advertising is allocated to each location if it is primarily for that location, and general advertising for multiple locations is divided among the locations. He added that Seattle advertising is allocated to Seattle directly, and that the only costs allocated to the Consortium are those that are applicable. Crider asked whether the marketing dollars are evenly spent between Astoria and Newport. Kyler reported that more money is spent in Astoria in an attempt to grow awareness of the product. Bain asked whether there is an analysis of dollars allocated to each market. It was reported that SeaPort is primarily interested in increasing passenger loads for the Consortium as a whole. Kyler reported that specific data could be extracted on a quarterly basis. McConnell asked whether SeaPort is still exceeding its marketing expenditure obligation, and it was noted that this trend continues.

Comment [MSOffice5]: Lets ask Matt for this now – so we have it well in time for the annual meeting.

UPDATE ON E-TICKETING SOFTWARE PURCHASE AND IMPLEMENTATION AND ITNERLINE TICKETING AGREEMENT STATUS

McKinney reported that the new reservation system has been purchased. He noted that February 1 is the date to go live with the system, and that it should coincide with e-ticketing. He reported that electronic travel agencies are expected to be on board within two or three weeks after February 1. He noted that a consultant is working full-time on getting an interline agreement. SeaPort is in the process of joining the Airline Clearing House, and hoping to obtain an agreement with at least one carrier that would provide connectivity with the remainder of the country. It was reported that interline agreements must be entered into with each carrier, and that talks are going on with Alaska.

DISCUSSION OF FUTURE FLIGHT CHANGE

Crider reported that at nine months, the Astoria service is not averaging two passengers per flight. He noted that he has appreciation for the subsidy, but believes it is time for preliminary discussions about dropping the third Astoria flight. He added that unless the Astoria numbers can be increased, the subsidy is eroding at a higher percentage. He added that Astoria wants to be considerate of the partnership with Newport. He asked how the reduction of an Astoria flight would work with aircraft and personnel. Day reported that the only cost reduction would be fuel and maintenance reserve because all other costs are fixed. He added that to reduce Astoria flights without adding Newport flights would increase the overall cost of the flights, as the rates per leg would go up to cover the same fixed cost. It was asked what would happen if Newport picked up a third flight. McKinney reported that this is doable, and that SeaPort could propose one or two potential changes where Newport has a third route. Bain suggested considering some really different schedule compromises, for example, a weekday only reverse flight from

PDX to ONP as one option, or a different schedule on weekends. Pfund suggested asking passengers when they would like flights via the survey cards. Connor reported that varied flights are very common in travel industry, and that often Sunday is different from the daily/weekly schedule. Overholser reported that he can generate data on weekend flight usage back to the beginning. Day suggested not forgetting passengers coming from the Puget Sound area for the weekend, and the impact on local economics. Bain noted that this item will be continued, and he encouraged creative thinking by all partners.

Comment [MSOffice6]: Yes! On agenda...

Comment [MSOffice7]: Lets ask him for that now?

Day reported that SeaPort is organizing a group of hoteliers that Kyler will work with to put together packages of restaurant, air, and hotels to market in conjunction with SeaPort to bring people to the coast and into Portland for the weekend. Three additional value accounts may soon be added. It was reported that there were two recent newspaper articles, and one radio interview that were complimentary toward the service. Dalrymple agreed to participate in sustainability meetings.

Comment [MSOffice8]: Did we add him to the Sustainability email list, Peggy?

PUBLIC COMMENT

Steve Schuster asked whether the Consortium has a contingency plan if SeaPort Air's Part 135 certificate is withdrawn as a result of legal issues. Bain noted that the Consortium is paying attention to the matter.

Walter Sherman noted that SeaPort's morning flight from Newport today was unable to depart before 8:00 A.M., and that there have been other delays and cancellations. He asked whether SeaPort is having trouble meeting its new schedule. It was reported that these issues were due to weather and unscheduled maintenance, and improvements will be made over the next week

NEXT MEETING

The next meeting will be the annual meeting, and it will be held on Friday, January 15, 2010, at 10:00 A.M., at the Newport City Hall.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:51 A.M.