

**MINUTES OF NEWPORT-ASTORIA AIRLINE CONSORTIUM MEETING**  
**APRIL 30, 2009**  
**9:30 A.M.**  
**VIA TELEPHONE**

Those in attendance were: William Bain, Dennis Reno, Mark McConnell, Gary Firestone, and Peggy Hawker from the City of Newport; Larry Pfund, Jack Crider, and John Overholser from the Port of Astoria; Dan Clem from the Oregon Department of Aviation. Also in attendance from SeaPort Airlines were: Kent Craford, Steven Fox, John Lansing, Jim Day, Matt Kyler, and others from SeaPort Airlines.

Bain requested the agenda be amended to include the re-election of a chair and vice-chair. MOTION made by Clem, seconded by Pfund, to adopt the agenda as amended. The motion carried unanimously in a voice vote.

MOTION was made by Clem, seconded by Pfund, to nominate Bain chair and Pfund vice-chair. The motion carried unanimously in a voice vote. The election of officers was unanimously ratified by the Consortium.

**Discussion of air service marketing strategy.** The SeaPort Airlines 2009 Coastal Marketing Plan draft was distributed. Kyler reviewed the plan addressing: digital hotel co-op marketing; regional co-op event marketing; terminal information; Swiftpage database; flight seatback collateral; outdoor advertising; radio advertising; television advertising; regional publications; and miscellaneous advertising opportunities such as PGE Park – Portland Beavers on-site advertising along with ticket giveaways; and google adwords targeting internet users searching for specific keywords.

Clem suggested incorporating the greenness angle and traffic stories. Bain suggested utilizing the positive experiences of customers. A discussion ensued regarding the need to change the culture of lodging establishments to ask whether folks making reservations are flying or driving. It was also noted that there is a need to emphasize travel by locals outbound, as well as tourists inbound. Craford reported that he had met with the PDX airport director and one discussion item was how to develop the coastal markets. He noted that the flypdx.com website includes coastal routes. Craford reported good strides on the distribution front, noting that SeaPort is now on all travel agency computers. He reported that Sabre portal users will soon be able to book flights through to Newport. SeaPort is currently approximately six weeks away from that capability. Bain suggested using e-blasts for marketing. He asked whether there are any opportunities to expand to the travel agency community. Craford reported that the SeaPort database is currently at about 15,000 and growing all the time. He noted that it would be great if the coastal communities could help with these lists. Craford reported SeaPort is in discussion with a third party intermediary that has a direct connection to 70,000 travel agents worldwide.

They could market our destination to those travel agents. He reported that there is a fare code associated with each label consistent with industry standard. Craford reported that SeaPort has retained the marketing labels on the website, similar to Southwest. He reported that Astoria is doing poorly compared to Newport in terms of cancellations and passenger counts versus capacity. Reno asked whether any cancellations were weather-related. It was reported that there is an average 22% cancellation for lack of passengers, and less than 1% cancellation in Newport for weather. It was noted that the comparison between the two routes is very striking in terms of lack of passengers. Craford noted that Astoria has 50% more flights, and that's proving to be a challenge. He reported that the radio campaign has been stepped up on the north coast, but it will take time for the route to grow into capacity. Reno asked whether SeaPort is seeking cruise traffic. Craford reported that there had been discussion regarding sightseeing flights for cruise passengers. He reported that a meeting is scheduled next week with the river pilots who seem interested. Crider stated that the lack of advertisements in the Daily Astorian has been commented on, and he recommended running more ads in that paper. He reported that he spent yesterday at capital and didn't have a brochure to distribute. He noted that it would be beneficial if there was a hand-out on the service. The total passenger count through April 25 was 298 for Astoria, and 319 for Newport. It was noted that something will have to be done at the 6-month adjustment, as there is currently 13% capacity for Astoria, and 21.6% for Newport. The target was 22% for this time. Day reported that bookings through April included 240 for Astoria and 253 for Newport. For the first phase, the average passengers per flight, under the contract, is less than two, and those numbers are being maintained to date. Cancelled flights are mostly the early morning flight in and out of Astoria. Clem asked whether SeaPort has a sense that they are not capturing folks connecting at PDX, and whether there is any way to determine whether people are still driving to Portland. Lansing reported that he is talking with various support organizations, many of which are just starting to become aware of the service. He added that as the story is told, it will have a domino effect of information and enthusiasm. There is some concern regarding missing connections in Portland. Lansing reported that he had met with the extension service and ODF&W. It was suggested that SeaPort obtain a list of all fisherman's licenses on coast, and develop two or three popular routes and show how SeaPort fits in that schedule. He reported that a personal touch is needed in Astoria. Cancellations were up after spring break and passenger counts were down again. Marketing is slanted more toward tourists in Astoria. Craford reported that there has been an expression of interest from the News-Times about developing a seatback publication directed at tourism on the coast.

McConnell noted that a lot of people are flying, and he asked what information is being gathered about how they found out about the flights, what their incomes are, and other information, so that marketing information can be focused. He added that he listens to NPR out of Eugene and Portland, and asked whether there is a missed market. Craford reported that he will be meeting with the new publisher of the News-Times soon, and he is looking at options in the Waldport and Florence newspapers as well. He reported that SeaPort is spending quite a bit of money with the Daily Astorian, including \$307 weekly for banner advertising on the website, and discussing transitioning to print ads. Kyler reported that there is discussion with the East Oregonian for print buys. The push is to

direct people to the reservation page. Pfund reported that the Daily Astorian reaches half the population of Astoria on weekdays. Bain suggested exploring options in the Oregon Coast Magazine and Oregon Coast Today. Bain asked that Newport and Astoria be included in the e-blasts so that the consortium members can see what is being done. He added that if that material is available, we can tell our client base that this is what SeaPort is doing. Clem asked how SeaPort would be affected by the closure of runways at PDX. It was asked whether work was being conducted on Highway 30 this year, as there may be travel delays for motorists. Craford reported that the turn time has been changed due to runway closures. Bain noted that a news release is needed about the reliability numbers. Other press releases could focus on time savings due to traffic jams. Reno asked how many Astoria passengers were non-revs. He asked how that compares to Pendleton and Boeing. He noted that he flew into Boeing and saw SeaPort. He cautioned that when pilots are flying Part 135, they need to use the Sasquatch number. Overholser suggested that the adjustment period could be adjusted if there are enough trends right now. Reno reported that Sara is doing a good job, and suggested she become more involved in the community. Reno reported that the keys are available for the courtesy car now. Clem suggested that a to-do list should be compiled for the next marketing meeting. It was suggested that it would be helpful for SeaPort to share the media they are using with the communities, so it can be used in a proactive manner. It was suggested that SeaPort explore using the Oregon Coast magazine for seat pockets. In the future, there may be more print ads in Newport, and more emphasis on leisure traffic in Astoria. Craford reported that he will be meeting with representatives from PDX to talk about leveraging marketing efforts. Reno reported that this year's OAMA conference will be held in Newport, and he invited Craford to make a presentation at the conference. Craford reported that he did something like that in Pendleton for the National Association of Counties meeting. He noted that a special fare was marketed to conference attendees. He mentioned that SeaPort is looking at other opportunities for other groups coming to the coast. McConnell urged a continuation of information gathering. Craford noted that SeaPort might be conducting a seatback pocket survey. Craford was encouraged to have surveys completed at the service counters. Clem requested load factors through the end of April. Projections for next 30 – 60 days were requested. Newport will provide this information to consortium members. It was noted that the statistics are for total passengers. On the weekly invoices, the non-revs are also included. Craford noted that SeaPort does not fly any non-rev-only flights. He added that pilots for other airlines fly non-rev on SeaPort, as this is the industry standard.

**Payment of Mead Hunt study.** Firestone reported that it has been determined that this study cannot be reimbursed from either grant. Bain noted that if we can't reimburse the state for the study because we can't get it from grant funds, we're stuck. Clem reported that he would withdraw the invoice and pay it out of ODA funds. He asked to see the correspondence where the federal and state governments have refused payment. Firestone will provide this information to Clem.

Clem noted that the more detailed the to-do list is, the more accountability is assured. One of items raised in negotiations was accountability, transparency, and communities

having a say in the marketing. Individual additions to the to-do list should be e-mailed to Peggy Hawker at [p.hawker@thecityofnewport.net](mailto:p.hawker@thecityofnewport.net).

**Next meeting** – Friday – May 29 @ 9:30 via telephone.

**Adjournment** Having no further business, the meeting adjourned at 11:05 A.M.