

MINUTES
Approved by the Committee
Intrastate Commercial Air Service Committee
Wednesday, October 21, 2020
9:00 A.M.
Room EW42
Boise, Idaho

Cochair Johnson called the meeting to order at 9:00 a.m.; a silent roll call was requested.

Members present: (in-person) Cochair Senator Daniel Johnson, Rick Cloutier, Jeff Marker, and Caroline Merritt (for B. Connors); (via Lewiston) Cochair Representative Caroline Troy, Gary Peters, and Scott Turlington; (via video conference) Rebecca Hupp, Scott Kennedy, Jeff Newgard, and Carol Waller. LSO staff: Ryan Bush, Jennifer Kish, and Christine Otto.

Attendance of audience members was not recorded.

NOTE: presentations and materials distributed to members are posted to the Legislature's website: <https://legislature.idaho.gov/sessioninfo/2020/interim>; and copies of those items are on file with the Legislative Services Offices located in the State Capitol.

Cochair Johnson requested a motion to approve minutes of the September 23 meeting. **Cochair Troy moved to approve the minutes as presented; Mr. Peters seconded the motion; with no objections, the motion passed.**

At 9:05 a.m., Cochair Johnson recognized Jeffrey Hartz, Project Manager for Mead & Hunt, for his presentation [Idaho Intrastate Passenger Air Service Study](#) to the committee. Mr. Hartz's presentation discussed the timeline and scope of service, assessment of passenger demand, possible routes and airlines, and identifying best practices for Idaho.

- Cochair Johnson asked how, with so many changes influenced by COVID, Mead & Hunt could accommodate for so many variables within the industry (e.g, aircraft not available, route demand change). Mr. Hartz responded that it was important to understand the current economic environment of the airlines and where it was going. He noted that, while many thought the virtual meeting would replace the face-to-face meeting, there was no assurance. In fact, people may look forward to returning the to a travel-and-meet scenario. He remarked that Mead & Hunt would need to be aware of aircraft that were trending out of use or were not traditionally used in the Pacific Northwest.
- Cochair Troy inquired whether Mead & Hunt was able to access data that showed where Idaho's new population was coming from, where it was moving to, and the demographic of that new population. Mr. Hartz reported that they were able to identify those attributes. He noted that it was important to extrapolate data to identify business travel versus recreational travel. Mr. Hartz remarked that employees were realizing it was possible to work from home in smaller, more desirable communities, as long as there was supportive internet service and companies willing to allow it. As such, he expected to see individuals with higher socioeconomic status moving to smaller communities but who would continue to demand the same services of their larger communities, such as convenient and economical travel.
- Rick Cloutier, recognizing that Idaho roads supported a lot of interstate travel, inquired whether Mead & Hunt could isolate data related to the truck carrier service. Mr. Hartz submitted that the data could identify whether individuals were "passing thru" the state or were traveling from home to work anonymously. He explained that the data could also study routes between the cities to identify patterns. Mr. Hartz added that they would design models based on similar markets in other states/cities. Mr. Cloutier cautioned to be cognizant of the short-haul truck traffic within the state and just outside the borders.

- Mr. Cloutier inquired about identifying the price point, for example, the point where individuals decide to drive to Salt Lake City, UT, for a connecting flight rather than flying from Idaho Falls to a destination. He hoped to see possible ticket costs in the report provided by Mead & Hunt. Mr. Hartz responded that intrastate travel not backed by a traditional hub was a different aspect, but not impossible if the local community was supporting it. He noted that there were many variables to match the aircraft size to the ticket price to the demand for the route. Mr. Cloutier reminded Mr. Hartz to be detailed in the report since not all members of the committee were airline experts and some industry practices may need to be explained.
- On a different topic, Mr. Cloutier asked who among the committee members would lead the effort going forward once the report was received from Mead & Hunt. Cochair Johnson felt that there were key individuals who could look at the data and could best interpret and explain the information. Mr. Cloutier hoped that the data would be shared along the way to ensure it was on track before being delivered en masse. Ms. Hupp supported this idea also. Mr. Hartz suggested the possibility to meet informally with a subgroup of committee members to share data before the final report. He cautioned that there was a risk of misinterpretation of data before its finalization and the need for confidentiality of the information if shared. Cochair Johnson suggested that committee members express an interest in being in that subgroup, but he hoped that the subgroup would include, at the minimum, the three airport directors on the committee (Rebecca Hupp, Rick Cloutier, and Gary Peters) and the Idaho Director of Aeronautics (Jeff Marker) for their expertise.
- Mr. Marker inquired whether data would be collected over the next 60 days or whether the data used would be historical. Mr. Marker was concerned about a true reflection of seasonal data for Idaho. Mr. Hartz responded that data would look backward to 2019 and 2020 to identify seasonal information, especially due to the abnormal travel of 2020. He hoped it would honestly reflect the surge in travel that has occurred in the Pacific Northwest.
- Mr. Cloutier asked Mr. Hartz to clarify the types of services and the categories that were being considered for the benefit of all committee members. Mr. Hartz explained that there were both scheduled and unscheduled (aka charter) types of service. He also clarified that scheduled service was broken into two categories: Part 135, which was a smaller aircraft with nine or less seats, and Part 121, which was ten or more seats. He noted that within Part 135, there was a division known as Part 298, which was a scheduled charter, that allowed for larger aircraft with more than nine seats. He stated that a Part 135 aircraft has less overhead but limited seating, while a Part 298 aircraft also allows for less overhead but with the additional seats.
- Scott Turlington appreciated that Mead & Hunt would be considering nonscheduled service as they might discover a strong enough demand from the smaller communities to support service.
- Caroline Merritt noted that the local chambers of commerce would be willing to assist Mead & Hunt with data gathering about the smaller communities.
- Gary Peters commented that Mead & Hunt should not overlook the Spokane airport when considering the northern Idaho airports and routes. Also, he wondered whether it was worth reaching out to Hawaiian Airlines in light of its recent announcement on the cancelation of services within Hawaii by Empire Airlines under the 'Ohana brand. Mr. Hartz surmised that Spokane would be a factor in determining routes and service to northern Idaho but would need to see how the data played out. On the issue of Hawaiian Airlines' announcement, Mead & Hunt could reach out to that company to determine whether that was an ultimate decision or just a short-term decision to weather the travel effects of COVID on those routes.

Cochair Johnson requested that Mead & Hunt convey a possible meeting date for November based on the time needed to work on the data.

With no further business, the meeting was adjourned at 10:00 a.m.