

# Airline Services Meeting Agenda

## January 16, 2008

### Forward Sheridan Conference Room

Welcome—Paul Wallop and Bruce Garber, Co-Chairs

Big Sky & Great Lakes Update—John Stopka

On January 7, Big Sky left Sheridan. Most of the equipment is now gone. Big Sky is still active in Montana as they transition service to Great Lakes. Great Lakes hired two station agents, formerly employed by Big Sky; this will improve customer relations and service. Great Lakes also has three flights to Denver daily—there were plans to provide only two flights daily to Denver; however, that has changed. Great Lakes may not be using Brasilias for all flights due to staffing constraints; however, Great Lakes will provide 3 flights and honor all tickets. Without flying the Brasilias consistently though, it's tough to judge if flights will be overbooked.

John Stopka has had conversations with Great Lakes requesting a 4<sup>th</sup> flight to Denver—Great Lakes has not been able to commit to this, but Mr. Stopka believes the task force can assist with this request. Mr. Stopka has county enplanement data that supports a 4<sup>th</sup> flight; specifically, the flight is needed mid-morning (10 am or 10:30 am), not in the afternoon or evening. Currently, Great Lakes offers flights to Denver departing at 6 am, 1 pm, and 4 pm. In discussions with Great Lakes, staff and equipment are the issue—there simply aren't enough planes or people to provide a 4<sup>th</sup> flight. However, Sheridan can't maintain its current enplanement numbers without having a 4<sup>th</sup> flight to Denver.

Mr. Stopka thinks the task force could be instrumental to lobby Great Lakes CEO Chuck Howell and founder Doug Voss for a 4<sup>th</sup> flight. The task force needs to meet with Great Lakes now to increase flights before the spring/summer peak season. Bruce Garber asked if the task force could invite Mr. Howell and Mr. Voss to Sheridan or should the co-chairs visit Great Lakes in Cheyenne? Mr. Garber believes that we should invite Great Lakes to Sheridan—if they can't meet here, then the task force could meet with Great Lakes in Cheyenne. Bob Rolston stated that Great Lakes representatives were present at the Montana EAS meeting; Great Lakes simply does not have the crews or equipment to provide service to EAS cities in Montana. The lack of equipment and crews affects all of Great Lakes service areas, not just the additional Montana EAS cities that Great Lakes will now be servicing. Philippe Chino asked if a plane could be provided so that the task force could travel to Cheyenne to visit with Great Lakes. Mr. Stopka stated that a plane would probably not be provided. However, the Legislative sessions at end of February could be a good time to meet with Great Lakes officials. With so many community leaders visiting Cheyenne for the Legislative session, the task force could invite Great Lakes officials to a hotel or venue in Cheyenne. The task force co-chairs should both meet with Great Lakes officials. Mr. Stopka said that he should not be a spokesperson at

this meeting; he's requested the additional flight as airport manager; Great Lakes now needs to hear this request from the task force and community. Mr. Chino said that Forward Sheridan can contact Great Lakes to schedule a meeting—we will invite Great Lakes to Sheridan; if they can't meet here, we will schedule a meeting in Cheyenne. Mr. Chino would like to schedule a meeting with Great Lakes prior to February 15<sup>th</sup>.

Paul Wallop mentioned that the task force will also need to meet with Great Lakes officials to discuss customer service concerns. However, Great Lakes must first be approached to provide a 4<sup>th</sup> flight; the task force can approach Great Lakes later to discuss service concerns. Mr. Stopka mentioned that Great Lakes hiring two former Big Sky station agents should help improve upon some of the service issues—Great Lakes had no local station manager, and were hiring managers into Sheridan who had no community ties or desire to live here. By absorbing two Big Sky employees, local employees with community roots, service should improve tremendously.

### **Boyd Group—Philippe Chino**

The task force has discussed hiring the Boyd Group to assist with airline recruitment. Last year, when Sheridan received an RFP from Frontier airlines, the task force worked with the City and County to hire the Boyd Group to reply to the RFP, rather than responding on a local basis. The Boyd Group is the premier aeronautical consultants in the country; hiring the Boyd Group provides an excellent understanding of airline services and the airline markets; the Boyd Group can assist the task force to condense appropriate information to present to airlines. For example, when the Boyd Group was last hired, they found that Sheridan has 73% leakage of air passengers to Billings. The Boyd Group helped present this information to airlines—we knew that we wouldn't get Frontier Airlines as a service provider in Sheridan, but the Boyd Group helped recruit Great Lakes. The City & County contributed to those consulting fees.

Currently, there are many happenings within the aeronautical field—we need professional assistance to recruit a second airline; however, the task force must agree that hiring a consultant is the best approach. Once the task force agrees, Forward Sheridan will request quotes and a scope of work from the Boyd Group. Once estimates are received, the task force and Forward Sheridan can approach the City & County for funding of the consulting fees. The task force should also contact Buffalo for assistance—Sheridan is the closest airport to Buffalo, and a regional approach to recruitment may benefit both communities.

Bruce Garber mentioned that the Boyd Group may be able to assist the task force to address issues with Great Lakes in addition to assisting Sheridan in recruiting additional air service from Frontier, Sky West, and Mesa. By understanding what airline carriers are looking for, the Boyd Group can take our community needs and data and present Sheridan positively to airlines, and provide face time for the Sheridan community to airlines. Sheridan County's enplanement data shows that Sheridan can be serviced by and support two airlines. The Boyd Group can also analyze market and community dynamics—for example, Southwest Airline is providing service in Denver; this has

reduced Frontier's market share. Frontier could potentially recapture that lost market share by expanding their service to include rural areas like Sheridan. The Boyd Group would also analyze the Sheridan community for a potential Sheridan/Salt Lake City route. Ultimately, we'd like a well-known airline to provide 75 seat planes instead of 30 seat planes; the Boyd Group can help Sheridan take steps toward this goal.

Mr. Chino will contact the Boyd Group to request a preliminary scope of work and cost estimates, sending this information to the task force for revision prior to approaching the City & County for funding for consulting fees. Mr. Chino suggests that we retain the Boyd Group for 6 months with an optional renewable contract—data assessment and soliciting for service could take 4 months. Mr. Garber asked how long it would take to get a quote from the Boyd Group; Mr. Chino said that he would expect a quote by Friday, January 18. Mr. Chino asked if the task force would like to reconvene to discuss the quote or if they would like him to discuss the quote with the co-chairs; Mr. Chino will be on vacation from January 28<sup>th</sup> through February 11<sup>th</sup>. Mr. Wallop suggested that Mr. Chino email the preliminary quote to the group for review and comment; if another meeting is necessary, it can be called the following week. Otherwise, the task force should establish a timeline to proceed, and approach the City Council and County Commissioners for funding as soon as possible.

## Other

Reese Oetken mentioned that, from a community perspective, it may benefit Sheridan to fly into Salt Lake, another regional hub. Flights may be less expensive—Denver Airport requires airlines to make payments toward the airport facility building costs. Flights to two locations could increase competition and decrease ticket prices. For example, the Cody, WY airport has two airlines, with flights to Denver and Salt Lake. Generally, ticket prices are lower in Cody than Sheridan. Mr. Stopka cautioned that Cody is losing enplanements and that ticket prices are increasing. Cody is highly subsidizing flights; most airports and communities are subsidizing air services. It may be time for Sheridan to offer subsidies too.

Janelle Martinsen mentioned that a second airport access hub, like Salt Lake City, could benefit Sheridan tremendously. When the Chamber of Commerce was working with Travel and Tourism to bid for Rocky Mountain International to host an event in Sheridan, we lost the bid to Casper because Sheridan is only accessible from Denver. If Sheridan were accessible from another airport hub, it would increase the attractiveness of our area, especially when Sheridan re-bids to Rocky Mountain International in 4 years.

John Smith mentioned the airline subsidies, mentioned previously by Mr. Stopka—if we're looking to the City & County for funding of the Boyd Group, what would it cost these entities and the private sector to subsidize flights/airlines? Could we present this information along with the request for funding of the Boyd Group fees? Mr. Stopka said that we would need to first pinpoint what exactly communities are subsidizing. The Boyd Group could assist in providing this data. State funds can also be requested for subsidies; however, the state wants to see community involvement before providing

funds toward airline subsidies. The Boyd Group can evaluate the community's willingness to fund subsidies, and quantify this with an estimated community dollar commitment.

Dave Ferries asked if the group has discussed flying to Billings as a hub versus flying to Denver as a hub. Great Lakes Denver terminal is awful—most of his clients flying into Sheridan would rather fly into Billings and rent a car to get into Sheridan. Billings is also a hub to Seattle, Portland, Denver, etc. Mr. Stopka said that Big Sky did fly to Billings, but the flight schedules were not convenient. When Big Sky initiated flights to Billings, they initiated two flights and it showed promise. Initiating two flights to Billings, mid-summer, without PR or advertising, there were averages of 300-350 people on those flights. However, the schedule didn't work and kept changing—night flights were not successful, as planes were empty. Mr. Garber suggested that the Boyd Group analyze the potential for Billings flights for consideration.

Mr. Ferries also asked if the task force has considered an air taxi service—Wyoming aviation is considering an air taxi service that would utilize Casper as a hub and provide service to various Wyoming cities. Mr. Stopka said that this is under consideration by the Legislature; however, it is a costly operation. With Pearl and Big Horn Airways providing charter service, Billings may be a great charter opportunity. Mr. Ferries stated that he would support local companies with local payrolls to provide service to Billings; perhaps Big Horn Airways and Pearl charters could be utilized to provide local flights to Jackson for ski trips in addition to providing air taxi services to Billings.

Mr. Chino asked how one would get a connection between Sheridan and Cheyenne during the legislative sessions. Could Big Horn Airways or Pearl offer this as a chartered service? The demand has to come from the community, as offers for these services are not coming from Big Horn Airways or Pearl. There could be a market for these services if the community approaches these companies with the request. Mr. Garber suggested that the task force meet with Big Horn Airways and Pearl to discuss their charter plans and to ask how we can assist their businesses.

Mr. Chino reminded the task force to check the website. Minutes of meetings will be posted so you can keep track of task force meetings and happenings.