

## **Transportation Council**

### **Minutes from the Regular Meeting on Friday, July 19, 2019**

**The Transportation Council met on Friday, July 19, 2019 in accordance with NH RSA 238-A.**

**Council Members Present: Senator Melanie Levesque, Representative George Sykes, NHDOT Commissioner Victoria Sheehan, DMV-DOS Director Elizabeth Bielecki, Nate Miller (NH Assoc. of Regional Planning Commission), Vice Chairman Jim Jalbert (Transportation Service Industry), and Heidi Marshall (Transportation Service Industry).**

**Presenters: Director Ted Kitchens, Manchester-Boston Regional Airport (MHT), and Tricia Lambert, NHDOT's Administrator for the Bureau of Aeronautics.**

**The meeting was an overview of aeronautics.**

**Senator Levesque opened the meeting by reminding council members and individuals in the audience that herself, Commissioner Sheehan and Director Bielecki would have to depart before the conclusion of the meeting.**

**Commissioner Sheehan shared how this meeting would conclude the modes of transportation portion of the council's agenda, by ending with aeronautics. The Commissioner expects that the next meeting will focus around funding, the 10-year plan and the Executive Council's role.**

**Ted Kitchens presented on the Aviation Industry and Air Service at the Manchester-Boston Regional Airport (MHT). Mr. Kitchens explained that there are two parts to his presentation. Part one is to explain the importance of aviation to society and the transformation of the airline industry. Part two is to elaborate on the aviation trends at the Manchester-Boston Regional Airport and the efforts underway to change trends.**

**Mr. Kitchens explained the leakage of business into MHT's surrounding airports, such as Portland International, Pease International, Lebanon Municipal, etc., with a specific focus on Boston Logan International, plays an important role in aviation trends at MHT. As seen in Chart 15 from the presentation (Kitchens, p.11), the significant difference in cost between Boston Logan and MHT has not always been present. The trend of leaking into Boston Logan from MHT has cost the state millions, if not billions, over the years. While MHT has the "big four" major carriers – United, American, Delta and Southwest – there seems to be an appetite for the utilization of new airline carriers in efforts to lower consumer costs and bring new business to the state. While MHT's revenues are strong and positive, due to how the airlines are charged, high operating costs are quite the deterrent as those costs are ultimately passed along to carriers.**

**Director Bielecki raised the issue that MHT, from the consumer perspective, can be cost prohibitive at times and asked what the rationale is behind structuring ticket costs.**

**Mr. Kitchens explained that the cost structure is based on the supply and demand model, where airlines track the pace in which seats fill up through algorithms, which ultimately contributes to the fluctuation of ticket costs based on demand.**

**Representative Sykes discussed the role of public and private modes of transportation to surrounding airports like MHT versus Boston Logan.**

**Mr. Kitchens shared that he would like to see rail in NH to connect such activity.**

**Mr. Jalbert put forth the idea of federal funds assisting in the reduction of transportation costs from rural communities to MHT.**

**Mr. Kitchens transitioned into part two of his presentation. He reminded the council that there was a brief period in which MHT was recognized as a medium airport hub, and now it is one of seventy small hubs around the U.S.**

**Mr. Miller suggested that the role of smaller New England airports has diminished over time in comparison to Boston Logan. Mr. Miller asked how the NH Regional Airport Plan that was completed in 2006, implemented to ensure a coordinated aviation system in New England, could be revisited or updated with the industry today.**

**Mr. Kitchens and Ms. Lambert explained that all New England stakeholders in this plan would have to make a grant request and there would have to be a unanimous acceptance of the grant put forth by the stakeholders; Mr. Kitchens and Ms. Lambert explained that coordination between all New England DOT commissioners would be necessary.**

**Senator Levesque asked a question regarding the Young Professionals Network survey responses in Mr. Kitchens presentation (Kitchens, p. 14) that referenced MHT as “restricted.”**

**Mr. Kitchens explained that the responses in that survey indicated that individuals felt “restricted” in their choices of when they could fly, who/what airline they could fly with and where they could fly to from MHT. MHT is working towards changing the perception that NH is only a rural place to vacation and educating the public on what NH has to offer as a travel destination. With the information collected in this survey, as well as MHT’s focus on the leaking of business to surrounding airports, MHT has gathered significant data related to consumer behaviors and can geotarget populations in specific zip codes to promote the MHT brand. The goal is to reduce the leaking from 85%-88% down to 50%, especially with such heavy migration into southern New Hampshire from Massachusetts.**

**Tricia Lambert introduced her presentation on behalf of NHDOT’s Bureau of Aeronautics. Ms. Lambert gave a general overview of the Bureau’s responsibilities (Lambert, p. 2) as well as the Bureau’s operational budget, capital budget and personnel (Lambert, p. 3)**

**Senator Levesque asked for clarification regarding navigational aids (Lambert, p. 4).**

**Ms. Lambert explained it as a system that uses radiofrequency, or a ray, that can be read by aircraft from the air as another form of an instrumental landing system.**

**Representative Sykes asked what the net effect of the reduction of air fees had on the Bureau.**

**Ms. Lambert said that there will be a report on those effects in September 2019.**

**Representative Sykes asked what legislative challenges the Bureau has faced recently and what pieces of legislation they'd like to see moving forward.**

**Ms. Lambert explained that the Bureau would be happy to work with the Transportation Council and the Governor's Office in moving forward legislatively.**

**Ms. Lambert shared her concerns with the fact that since the FAA is not on the ground, there needs to be more clarity with local enforcement of laws, especially regarding UAS, or drones.**

**Mr. Miller raised an issue previously shared by Mr. Kitchens regarding ridesharing companies, like Uber and Lyft, immensely profiting off the presence of airports, like MHT. He also referenced the inability of MHT, or others, to collect money or fees associated with such profits, based on state laws.**

**Mr. Jalbert furthered the conversation related to the lack of contract regulations with companies such as Uber and Lyft, in comparison to other TNC companies like taxi services. He suggested that the Council may need to consider changes to legislation, specifically referencing insurance liability and increased traffic in these areas due to an increased presence of such TNC companies.**

**Representative Sykes and Mr. Jalbert agreed on the importance of buses as a mode of transportation as opposed to ridesharing companies in addressing the issues previously raised.**

**Mr. Kitchens stated he is not interested in regulating these kinds of things but would rather collect a fee.**

*Next Meeting: Friday, August 16, 2019 at 9:00 A.M. The meeting will be focused around the Colors of Money Presentation and funding sources, the 10-year plan and the Executive Council's role.*