

# Pendleton makes its case to keep EAS subsidy

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EO FILE PHOTO

This November 2008 file photo shows the Eastern Oregon Regional Airport in Pendleton.

In a final attempt to hold onto its essential air service subsidy, the city of Pendleton sent a waiver petition Tuesday to the U.S. Department of Transportation on why the Eastern Oregon Regional Airport will do better in the future.

As the DOT works toward finding a replacement to provide air service through the end of the year for the now-defunct SeaPort Airlines, the city still has to convince the federal agency why it should continue to receive the subsidy despite violating the department's policy by exceeding the \$200 per passenger subsidy cap.

In his letter to the DOT, Pendleton Airport Manager Steve Chrisman laid much of the blame at the feet of SeaPort, which declared bankruptcy Sept. 20 and grounded its flights the next day.

Chrisman wrote that SeaPort's tenure started well enough in 2008, utilizing a snappy slogan, stocking its fleet with sleek Pilatus PC-12s and briefly incorporating a bulk ticket sale program.

But Chrisman was unimpressed with SeaPort's early marketing efforts and began to notice its quality of service deteriorate as its time in Pendleton wore on.

"SeaPort became enamored with the idea of being more like a big commercial airline, and, in so doing, lost touch with its (Pendleton airport) customer base and why it was they were choosing to fly SeaPort," he wrote.

SeaPort moved its gate to Portland International Airport, requiring passengers go through Transportation Security Administration screenings on their way back to Pendleton, introduced hidden fees into its ticket prices and exchanged its Pilatus aircraft for the slower, cheaper Cessna Caravan.

"In the end, the customer only saw added costs, greater inconveniences, and increased travel time," he wrote. "Combined, this was a recipe for failure."

Chrisman said the solution to the Pendleton airport's problems could be found in Boutique Air, the San Francisco airline the Pendleton City Council recommended to provide air service in 2017-2018.

Chrisman called Boutique an "impressive company" with "sharp businessmen" and "glowing reviews" from other airport administrators.

Chrisman wrote Boutique would reintroduce the Pilatus to Pendleton, should put together a more tech-savvy advertising campaign and would operate out of a non-TSA hangar in Portland that would allow Pendleton passengers to skip security.

Port of Portland representatives said last week, however, that was not the case. Executive director Curtis Robinhold said there is no way passengers would be able to board planes anywhere on PDX property without going through security.

Boutique estimates it will fly 11,500 passengers between Portland and Pendleton annually at a subsidy cost of \$2,252,285.

Dividing the number of passengers by the total subsidy means Boutique expects the per passenger subsidy to be \$195.85, a significant decrease from the \$213 per passenger cost SeaPort accrued.

The city also included several letters of support, including letters from Port of Portland, Eastern Oregon's congressional delegation (Sens. Ron Wyden and Jeff Merkley and Rep. Greg Walden) SOAR Oregon, Round-Up City Development Corp. and the Confederated Tribes of the Umatilla Indian Reservation.

Port of Portland Chief Commercial Officer Keith Leavitt, whose organization owns Portland International Airport, wrote that the port is committing \$50,000 to market the Pendleton-Portland route.

The DOT will now consider Pendleton's arguments, although it has already stated that the city should retain its air service through at least the end of the year.

As for Pendleton's lack of current air service, the DOT has promised to find a new service "expeditiously" after the Oct. 12 bid deadline.

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