

MINUTES of the Commercial Airport Summit
June 30, 2016

Lt. Governor Mark Hutchison held a Commercial Airport Summit meeting at 9:00 a.m. on June 30, 2016 at the Nevada State Museum, 309 S. Valley View Blvd., Las Vegas, NV 89107.

Call to Order

Lt. Governor Mark Hutchison called the meeting to order at 9:00 a.m.

Attendees Present:

Lieutenant Governor Mark A. Hutchison, Chair
Ryan Cherry, Chief of Staff, Lt. Governor's Office
Kirsten Van Ry, Communications Director, Lt. Governor's Office
Jennifer Cunningham, RSCVA
Don Newman, Elko Convention & Visitors Authority
Ed Spear, White Pine County Tourism & Recreation
Jeremy Handel, LVCVA
Marilyn Mora, Reno Tahoe International Airport
Chris Melville, City of Wendover
Paul Bobson, McCarran International Airport
Chris Jones, McCarran International Airport
Curtis Calder, City of Elko
Mark Gibbs, City of Elko, Elko Regional Airport
Mike Coster, White Pine County

Division of Tourism Staff present:

Larry Friedman, Deputy Director
Teri Laursen, Sales and Industry Partners
Dee Chekowitz-Dykes, Executive Assistant

Call to Order and Confirmation of Proper Posting

HUTCHISON: Well good morning, everyone. Thank you so much for being here and coming together for our really first Commercial Airport Summit Meeting. This is the time and place. It's a public meeting. It's been noticed for this Commercial Airport Summit, and what we would do is just make sure that we have properly noticed this meeting and confirmed that the proper postings have taken place and Ryan, I think you can confirm that, can't you?

CHERRY: Dee?

HUTCHISON: Dee, can you confirm that?

DYKES: Yes, Lieutenant Governor, it has been posted in accordance with NRS Open Meeting Law.

Opening Remarks

HUTCHISON: Wonderful. Well I'll just take some just brief time to give open remarks. Really what we're here to do is to talk about and to hear from the experts and those of you who have been kind enough to be here. To my knowledge this is really the first time that we've ever all got together as the airport experts, authorities and agencies that have responsibility for different regional airports within the State of Nevada and I can't thank you enough for taking the time.

I know some of you traveled a long way to be here and we welcome you to Las Vegas and to the 115 degree weather. I'm grateful that you're taking time from your professional responsibilities. I always begin my meetings by saying this. I know what it's like to be time-starved. I am time-starved in my life and so I appreciate it when those fellow time-starved travelers through professional life take time to be somewhere and to do something with me, and we hope that this will be meaningful and we want it to be meaningful.

But it's going to be meaningful when we just are all talking together. This is not a lecture format at all for me. What I want is to hear from you who have the experience and understand the issues far better than I do. You know we've been through challenging times. For those of you who've been in Nevada a long time like I have – I spent my entire life here, you know.

I've seen the up and downs, more up than down, and you all have done an absolutely stellar job to make sure that we are up more than we're down. You know visitation is up in the State of Nevada. I'm the chairman of the Nevada Commission on Tourism and that's the lifeblood of Nevada.

I've told everybody I've ever met with, we do all we can in this state to diversify our economy, but tourism and travel and hospitality will be the lifeblood of the state as long as long as I'm alive. I don't think we'll see a change of that in our lifetime.

It will be tourism, gaming, hospitality and mining will continue to drive this state. We hope other sectors are going to contribute to that in a major way; we think they will. But look, our bread and butter is what's sitting in front of us

right now and what we're talking about today which is people making a decision to come to Nevada and visit here and to be part of our Nevada experience.

So that's the reason that we convened the summit. I've had a lot of issues surface during the time that I've been involved with the Commission on Tourism as well as the Board of Economic Development and in my role as Lieutenant Governor. These different issues have come up over and over again as you see listed on our agenda, what we posted here.

The airport infrastructure, the air services, customs have been an issue, particularly up in Reno/Tahoe. The risk mitigation issues have been issues per the rurals over and over again. And then potential partnerships. That's what we want to be able to talk about and you can see one of the last agenda items is the possible creation of a state-wide air services task force, does that make sense?

Would there be value to that? We don't want to just have – you and I don't need another meeting, right? We just don't need another event to come to. I tell people all the time, I'm not looking for something to do on a Friday night, you know. I got plenty going on in my life. But if there is something that we think coming out of this meeting that we can collaborate on and we can really put together some meaningful value-added opportunities for us in this area through a task force then let's talk about that.

Public Comment

HUTCHISON: This meeting has been noticed and we welcome all public comments. In fact we will move on to that section of our agenda now to ask if there's anybody here present – and are we broadcast anywhere else other than this location?

CHERRY: No.

HUTCHISON: Is there anyone here who would like to offer public comments as we go on to Agenda Item No. 2? I'm not seeing any public comments. We'll close out Agenda Item No. 2 then and we will move on to Agenda Item No. 3 to talk about airport infrastructure, the problems, the solutions, regional experiences.

Introductions

HUTCHISON: Before we get to that part of the agenda though what I'd like to do is just go around the table and have everybody introduce themselves and tell us where

you're from and what your responsibilities are so we can just get a feel for who we've got here.

Like I said, I think we've got all the major players, the brain trusts of the state is right before me on all things travel, tourism and particularly as the regional airports relate to those issues. Ryan, why don't we start with you and we'll just move around the right side of the table.

- CHERRY: All right. I'm Ryan Cherry, Chief of Staff for the Lieutenant Governor's Office.
- VAN RY: Kirsten Van Ry. I'm Communications Director of the Lieutenant Governor's Office.
- BOBSON: Paul Bobson from McCarran. I run the Air Service Development Program for the airport.
- JONES: Chris Jones, McCarran. I'm the Chief Marketing Officer.
- HANDEL: Jeremy Handel with the Las Vegas Convention and Visitors Authority. I'm the Senior Director of Communications.
- SPEAR: Ed Spear. I'm the Director of the White Pine County Tourism Recreation Board.
- PETERSEN: Jim Petersen. I'm not really from Nevada but I'm real close to Chris. [laughter] The Wendover Airport is in Utah but frankly we depend very heavily on the tourism of Nevada, so we feel like we have – like we're one window or so and I'm the Airport Director.
- HUTCHISON: Jim, we take in neighboring states' refugees all the time. [laughter] So we are happy to welcome you to the great State of Nevada.
- PETERSEN: Well thank you.
- MELVILLE: Chris Melville, City Manager, West Wendover and yes, you are part of the...
[laughter]
- CALDER: Curtis Calder, Elko City Manager.
- GIBBS: I'm Mark Gibbs. I'm the Airport Director for Elko Regional Airport.
- NEWMAN: And I'm Don Newman. I'm the Executive Director of the Elko Convention and Visitors Authority.

MORA: I'm Marily Mora, CEO of the Reno-Tahoe Airport Authority.

CUNNINGHAM: Jennifer Cunningham, Interim Managing Director of the Reno Convention and Visitors Authority. The timing of this meeting is really great for us because we just finished our five-year strategic plan and one of our key initiatives that we're prioritizing is setting money aside for air service development. It's real close to [inaudible 08:07].

FRIEDMAN: I'm Larry Friedman. I'm Director of Sales and Industry Partners for Nevada Division of Tourism.

DYKES: I'm Dee Dykes. I am Claudia Vecchio's assistant at the Division of Tourism.

FRIEDMAN: And she's recording the meeting.

HUTCHISON: Just so you are all on notice. [laughter]

FRIEDMAN: And there is a media in the room.

HUTCHISON: Yeah. Be a little measured here with our media friends here.

COSTER: Hey good morning. I'm Mike Coster.

HUTCHISON: Hey Mike, great to see you.

COSTER: Thank you very much, sir.

HUTCHISON: Thanks for being here and making the trip in.

COSTER: Steve Stork, our very capable airport manager is in recovery from an injury so he's not able and I'm standing in for him.

HUTCHISON: Well Mike, I know you long enough to know that you are all things to all people so you can fill in where we need to have you fill in.

COSTER: Okay. Call them as I see them. If I don't see them I make them up. [laughter]

Airport Infrastructure

HUTCHISON: Good. Well let's just start off with our third agenda item, Airport Infrastructure. Just give us your thoughts and let's have a discussion here to help me get

educated on these major issues from your point of view and your point of view from a regional perspective. That's why we're here with the various regions.

Let's just start with Wendover and get your thoughts. You know you are, a little unique and but give us your perspective on the infrastructure issues that you face, some of the problems, some of the solutions that you've been dealing with.

PETERSEN:

Well airports the size of Wendover typically have a problem funding themselves. We've really been quite lucky to have the Casino Flight Program. We bring about 50,000, a little over 50,000 people a year into Wendover through this flight program. We fly to 70 different cities.

I think that one of the things that Chris and I have been working on for quite awhile is to try to get some additional scheduled service into Wendover. There are a couple of reasons for that. Financially the flight program covers most of our expenses, and with our rentals we're basically a break even airport. An increment, even a tiny incremental flight program financially would make a huge difference to our airport in terms of being able to survive financially.

One of the things, when we talk about Wendover, Utah we have to talk about West Wendover, Nevada. Our health system there is challenging. We do not have a very good medical facility in Wendover, and one of the things we've talked about is if we somehow got flights say, you know, Reno/Elko/Wendover, Wendover/Reno/Elko, we potentially could bring specialists in a day a week or whatever into Wendover which would make a huge difference.

Right now, when I have an airport medical issue, they either drive or take the ambulance to Salt Lake or drive and take the ambulance to Elko. just from the standpoint of bringing more professional help in we've really been trying to focus on trying to get some kind of scheduled service. The lifeblood of Wendover, Utah which is very small – there's really nothing in Wendover, Utah other than a potash mine and a few other things.

Tourism is absolutely critical in my mind as we go forward to try and build and develop Wendover. We have the world's most original Army Air Force training base in the country. We have 90 of the original 668 World War II buildings there, six hangars on the front line, a control tower, the officer's club which we recently restored.

it's a potential tourist Mecca to bring people in there for this World War II site which not only benefits the Utah side but absolutely would benefit the Nevada

side. They've got the museum, they've got gaming, they've got first class food and lodging.

Our real focus moving forward is to try to continue to develop the site as kind of a premier World War II visitor site and part of the way of doing that is trying to somehow get some scheduled flight service into Wendover. Thank you, gentlemen.

HUTCHISON: And then Chris.

MELVILLE: I think that encapsulates it. We've tried a couple of occasions in fact partnering with Elko to do a grant through US DOT, two attempts. Both were not successful in the end. We did get a study grant funded about five years ago to do that, but actually getting the subsidy component and finding a carrier to conduct the air service to do a Wendover/Elko/Reno flight has been very difficult, but that's been our focus.

We're focused on Amtrak at the moment as well, but those are both components that add to the tourism aspect of the community which is what you were talking about earlier. That's our lifeblood.

HUTCHISON: Right. Thank you, Chris. Other infrastructure issues either let's say Ely, Elko? What are your thoughts about infrastructure? Mark?

GIBBS: We've recently finished a benchmark study. We also leaned against a study that was completed by the Nevada Department of Transportation in 2006. It's called *Study Identifying Sustainable Funding for the Nevada Fund for Aviation*.

HUTCHISON: Yeah.

GIBBS: What we found out was, compared to our peers in terms of infrastructure development, our state has some of the fewest resources limiting the ability for small, rural airports and even larger airports to maintain and develop aviation throughout the state.

when I mean we're at a fraction of the state's – in terms of averaging the state support and manpower for aviation infrastructure programs including what's called the FAA Airport Improvement Program which is a major program the FAA uses to fund airport development, we're funding about 8 percent of the funding compared to the averages of our surrounding western states.

When we look at staffing at the Nevada Department of Transportation we only have one full-time airport planning position. The next smallest staffing level is five with the average being nine. That's just the western states.

HUTCHISON: So even like in the smaller states like Wyoming, Montana?

GIBBS: Oh Wyoming and Montana blow us right out the water in terms of funding levels and in terms of state manpower and support for airports. Coupled with the AIP program which the NDOT studied in 2006, many states also have programs that are outside of an AIP matching program. Such as low interest airport loans like in Arizona, to up to 90 percent funding in states like Idaho and Wyoming and even Montana for infrastructure development and maintenance that is outside of the AIP eligible grant program.

These are things like building aircraft hangars which is actually a revenue development for sustaining an airport as well as many other items that aren't covered on the AIP program.

HUTCHISON: Mark is that state funding or state loan programs?

GIBBS: Yeah, those are all state funded programs.

HUTCHISON: Okay.

GIBBS: We also found out that Nevada is unique in that its appropriation for the Nevada Department of Transportation, Aviation Planning Division is a general fund appropriation. All of our western neighboring states fund their DOT aviation programs through aviation user charges and excise fees, which means that they're taxing the users of the system to pay for infrastructure development.

Specifically at Elko, and I'm not going to be flippant, we're at an extremely high risk of losing commercial air service within one to two years. The fallout of that is that we are going to lose our AIP entitlement funding that helps us maintain our facilities. We receive about 1.1 million dollars in entitlement funding every year from the FAA and we do a variety of maintenance as well as enhancement projects at the airport. We would drop down to \$150,000. We've already looked at the analysis. We wouldn't be able to even fund to maintain the development that we have currently at the airport.

The fallout of losing air service would also decimate our operating budget. It would result in my layoff and my entire staff's layoff. We would drop down

from an airport that is a 24/7 365 all season airport, the only one in northeastern Nevada, to an airport much like Wells, Jackpot and other smaller airports where it really is a fair weather airport. It usually closes during winter time.

There's a reason why the regional offices of Newmont and other major mines are in Elko, and that's because the airport is there, and it's a 24/7 365 airport. So when we look at the loss of air service we're really affecting a great variety of businesses. And not just mining. We have lawyers. We have all types of other private enterprise that use our airport and the general aviation room to fly to other destinations across the state to do business. Eighty percent of our enplanements at Elko are for business so we're a business airport more than anything else.

If we lose air service we really affect our ability to provide a multi-modal transportation node for doing business throughout northeastern Nevada. One of the biggest things that I'm worried about is that just-in-time inventory is, you know, the norm in the mining industry, the parts that are coming to replace multi-million dollar pieces of equipment which when shut down costs the mines hundreds of thousands of dollars a day.

If we can't keep an airport open or maintain the facilities on a 24/7 basis, those mines then are losing more money because they're going to have to truck in those parts or look for alternate means, rail or other means, to bring those parts that have normally come in by a cargo operator called Ameriflight.

HUTCHISON: Mark, what's the reasons for the risks associated with losing your funding and what level of risk are we talking about?

GIBBS: Well I'm just going to be quite blunt. SkyWest Airlines is our only commercial airline. It's a Delta connection. They provided CRJ200 service. In 2014 they did a major round of cuts. Many airports throughout the west lost air service entirely.

Basically when I looked at the analysis of what they did. They're not going to provide me this raw data themselves, so I have to look through the back door to find out and look through the tea leaves to see what they did. Last year we only enplaned 13,800 passengers. Every airport that dropped below 14,000 passengers a year lost air service by SkyWest.

We also have some inside connections that are close to the airline. Obviously they're going through, you know, back door channels to see, what the airline's

intensions are in our market. For the current year it looks like they're going to stay, but if we don't increase our airplane enplanements, we're at risk. We're going to spend \$50,000 this year on advertising. We spent \$45,000 on advertising last year. And NCOT, thank you for your grant. We leverage your grant dollars as part of that. We're going to lose air service because we ran the numbers. Last year the airline lost \$385,000. Airlines aren't in the business to do charity so if we continue losing money for that particular air carrier in our market we're going to lose air service. It's just a matter of time.

We're going to be entering in a BDR for the 27 like we did with partnering with West Wendover and with Reno-Tahoe Airport again in 2017 to look for a state air service enhancement program that is a scaled down program that mirrors Wyoming.

Why have I identified Wyoming? Because when we take Clark County out of the mix and we compare Nevada to Wyoming there are so many parallels between our economies, our populations, especially in the rural areas to that of Wyoming. When we look at the Wyoming program, the Wyoming Air Service Program has been a major success. The commercial service airports that are a part of the Wyoming Air Service Program fund entirely the appropriations that go for funding air service. There's more tax rolls coming in from those airports than are being spent to fund the program.

HUTCHISON: It goes back to your point which is, it's just not general fund appropriations.

GIBBS: No.

HUTCHISON: It's through user...

GIBBS: There is one. Wyoming is unique in that they also have a mining fee, excise fee, that helps fund their aeronautical programs and a million dollars a year.

HUTCHISON: Yeah.

PETERSEN: But Mark, what happens in Utah is that there's a one cent per gallon excise tax on fuel which goes into the Utah Aeronautics Division. We take one penny of every gallon which Delta, of course, in Salt Lake buys the most fuel but one penny of every gallon helps fund the Utah Aeronautics Division.

HUTCHISON: Does Wyoming do any of that?

GIBBS: Yes, Wyoming does that. In fact your study identifies them. It hasn't actually changed the taxing levels identified. Wyoming does have a variety – and other states have a variety of programs. Not all of them are the same. But excise tax is certainly a component of how they fund aviation.

HUTCHISON: So when you're talking about positive solutions, Mark, you identified a big problem out there with your airport. And do you think the solution is going to be this BDR you're going to propose and try to parallel Wyoming and the air service program that the state offers there?

GIBBS: We're looking at scaled down versions a lot smaller than the program that Wyoming is doing. This is not a panacea that will solve all of the problems facing airports. There are many problems in this state.

HUTCHISON: Sure.

GIBBS: But, it is one of the tools that we could use to improve air service in the state. I'm a strong proponent for not just a one-time appropriation, but a continuing appropriation like Wyoming has that allows communities and not just in northeastern Nevada, and I'm fighting for Ely, I'm fighting for West Wendover, I'm fighting for Laughlin, I'm fighting for all of our smaller communities and Mesquite so that we can have access to Nevada's gateway airports. Because right now in Elko, all of our passengers are going to Salt Lake City. We're losing 70 percent of our passengers to airports outside of the State of Nevada. We're looking at, let's say passenger facility charges. Both Reno-Tahoe and McCarran International levy passenger facility charges.

If we started feeding our rural airports into those gateway airports in Nevada, those major airports that are incredibly important to the state's economy, will realize those funds and will be able to increase their ability to fund capital improvement programs like linking McCarran International down to the Las Vegas Strip to many other programs. As you all know, passengers spend money when they're in airports.

I would like people buying beers, eating and shopping in Nevada's gateway airports rather than those going to Boise, Idaho or Salt Lake City or if you're in Laughlin going down to Phoenix or some of these other airports where we're losing our own citizens and customers to other Gateway airports.

Quite frankly, when you look at McCarran International and Reno-Tahoe and at all the destinations that they go both internationally and domestically, we

connect Nevada between those two airports, connects pretty much everywhere you could possibly ever want to go with one stop from our rural areas.

If we are able to improve aviation to our rural populations both from healthcare to business access we're going to see benefits both at larger airports and larger communities as well as rural communities. I see it as a win/win for both elements of the state, both urban and the rural populations.

HUTCHISON: Thank you. That's great insight, Mark. I appreciate your help on that. This is just a roundtable discussion so if you have comments on that, you think of something, Jennifer, whatever, let us have the benefit of your analysis and your thoughts on that. Before we get off Elko, any comments about that? Any comments about the issues that surfaced and some of the solutions that were proposed?

CUNNINGHAM: I think he made a really good point in terms of feeding them through Reno and Las Vegas. That's a win/win for us all. Yeah, and it's something that I don't think we've ever really addressed and had a concerted focus on it.

HUTCHISON: What's the reason why that hasn't happened? What's the historical background to that in terms of connecting through the major airports?

GIBBS: Later when we talk about the air service, I actually have a little presentation that I'd like to bring up.

HUTCHISON: Okay.

GIBBS: I'll be addressing some of the major key trends and the reasons why and I'll answer that question in full and in detail and provide supporting facts for that.

HUTCHISON: Any thoughts on the McCarran side?

JONES: Well a couple things. One, you have to look at the value of the slots that are there. It's a limited, finite capacity. You've only got so many gates, you've got so many slots in the skies. I respect the idea of these planes coming in and going through McCarran and going through Reno. I understand that, but we would also need to look at the value of is this displacing a gate that could be used for a larger aircraft that could be bringing 150 people into Las Vegas.

I won't be so naïve as to suggest that people do not connect through McCarran, but that's not our purpose. Our primary purpose is to bring people into southern Nevada and have them be "heads in beds."

HUTCHISON: Yes, as a destination.

JONES: As a destination. You know that's what drives our economy. From our perspective, that is always going to be our top focus in trying to get people that are coming into Las Vegas rather than connecting through here on their way to somewhere else.

HUTCHISON: Chris, I can probably imagine what the answer is, but is there any excess capacity at McCarran where you'd want to bring in something other than 150 passenger plane? I mean, is that attractive from the business model there?

JONES: Our focus has been to try to maximize McCarran as a commercial airport, so we have built out the Henderson Executive Airport in recent years. In fact, we just had the tenth anniversary of a new terminal there. We put a lot of money into the North Las Vegas Airport to try to financially incentivize some of the smaller carriers, whether it's a person with his own private plane or whether it's a business, you know, corporate jet type of aircraft.

We want to get as much of that traffic away from McCarran as we can and have it go into the smaller airports that are within the Clark County system because I can't tell Southwest Airlines to land in North Las Vegas. It's not physically possible.

HUTCHISON: Right.

JONES: But I can tell them to land at McCarran. So if the smaller guy can take that space in the sky, on the runway and space on the gate away from McCarran and go to Henderson or to North Las Vegas that's to our advantage and we're trying to bring in more air service.

NEWMAN: Mark, years ago we used to utilize North Las Vegas as a destination airport when we had intrastate service, much like Amtrak. A lot of their stations you go into a city and then you bus to the next destination respectively.

McCarran is international but if we could intrastate into Henderson or North Las Vegas and then get to McCarran. For our meeting, yesterday I drove from Elko to Reno. I left at 7:30 in the morning, got to spend some time with Dee before our meeting, but it's a four-hour drive to Reno for me. My options if I want to fly is Elko to Salt Lake, Salt lake to Reno, and it's easier just to drive the four hours so.

HUTCHISON: Right.

GIBBS: When we were talking about those intrastate feeder markets, we absolutely agree with his assessment and we're looking to go into Henderson and North Las Vegas as those interstate air carriers and we understand the economics with the capacity constraints at Las Vegas/McCarran. But, you also have to look at the price of tickets. When we looked, Reno and Las Vegas have some of the lowest airfare prices in the entire country.

HUTCHISON: Right.

GIBBS: When you're looking at rural folks like Ely, Wendover or Laughlin and you are looking at going out of state, if we have an air service connection to Henderson or North Las Vegas, you betcha that folks might seriously consider flying out of Las Vegas, McCarran and taking a bus or Uber service or some other means to get to McCarran Airport to fly somewhere else. Because actually the tickets out of McCarran or Reno are a lot lower than the national average to connect to major cities like New York or even Mexico. The ticket prices are sometimes 30 to 40 percent lower than what's in Salt Lake City.

That's why when we look at these rural markets and we identify the gateway airports, Reno and Las Vegas, there's economic incentives for our own residents to choose those airports due to the pricing of the tickets and the volume that both McCarran and Reno get.

JONES: If I could weigh in again, Chris Jones.

HUTCHISON: Of course.

JONES: I think it's going to come back to the numbers. Does it pencil out or what can be done to make this financially viable for the airlines? As was said before they're not in the business of losing money. Since we're on the topic of infrastructure...

HUTCHISON: Yeah, please.

JONES: There is another other key piece that needs to come in line with this, you know, to what Mark just said, that wouldn't create a problem.

If the service were to be coming in from some of the smaller, rural airports where there is no TSA component and then possibly going into Reno, the idea that they may be able to then go from Reno or McCarran and board a flight, you have to consider that if you enter the system, say you start at Elko and there's

no TSA there, when that passenger arrives at a Reno or at a McCarran they can't just simply walk down the hallway and get on a Delta flight to San Francisco or Seattle or whatever. They would have to go through that piece.

We had challenges and I'm sure Marilyn has probably seen the same thing. We've seen all the stories in the news about staffing with TSA, the long lines and other challenges. It would be really difficult to think of pulling TSA resources off of a major commercial airport, such as a Reno or McCarran if I can speak primarily on that, to put them at one of the smaller airports to provide the TSA component there. Just something to think about as this goes forward.

HUTCHISON:

Yes.

JONES:

It's got to be TSA to TSA or else the connection piece of it will be problematic. Now if they can do like you said and drive over that is another story.

GIBBS:

We've actually talked to the TSA in Las Vegas, the Federal Security Director for the entire state, and Elko does have an underutilized TSA component. We've actually looked at schedules and systems so that when we feed into Reno-Tahoe those passengers will be sterile even if they came from Ely or some of the other markets where there is no TSA presence.

We have looked at the TSA component. We've talked to the TSA, and asked if this is a workable plan? They said yes. So yes, we have looked at those issues, and in terms of going down to Las Vegas, you're absolutely right. We would be terminating in let's say Henderson or North Las Vegas after screening in Elko and if taking a taxi, they would have to then obviously be screened through the system at McCarran International.

But in terms of feeding traffic to Reno which used to be our number one destination, has in the past enplaned more than 33,000 passengers a year from Elko, we could screen those passengers and feed them to Reno as sterile passengers which means that they've gone through that process, they've gone through the checks.

JONES:

So you would take them off the plane if they originated here in Elko, screen them and then go on to Reno?

GIBBS:

Let's say they were coming from Ely where there is no TSA...

JONES:

Henderson or North Las Vegas, for example.

GIBBS: You mean if we're going to come into Henderson?

JONES: If I left from Henderson and was on my way to Reno, for example.

GIBBS: Yes. What happens is our airport is a very small airport. We have an over capacity of TSA. A lot of time they're not actually doing anything except waiting for the next flight. They would deplane the aircraft, exit, come through the airport terminal. Literally it would take about five minutes for them to walk around.

Their checked bags obviously would remain inside the aircraft. We already discussed that. But their checked carry-on baggage would have to be re-screened through the TSA and then they would become sterile before going to Reno.

PETERSEN: And incidentally, Wendover has the same issue. We have a fairly decent TSA staff and we have excess capacity in Wendover too.

JONES: What would happen with the checked bags then when they entered into the larger system at Reno?

GIBBS: If they're taking checked bags?

JONES: Yeah.

GIBBS: Well when I talked to the TSA they said that if they have checked bags, let's say if they're originating from Ely, then those checked bags as they were interconnecting to where ever they were going to would get screened.

JONES: At Reno?

GIBBS: Yes, at Reno.

HUTCHISON: I know this is informal, it's hard to remember. Just try to identify yourself before you speak.

GIBBS: Sorry, I'm Mark.

JONES: Chris and Mark with the dialogue.

HUTCHISON: That's right. Good. Other comments on the infrastructure? Marily, got any thoughts about the infrastructure?

MORA: No, and I'll just say I think Elko has a real compelling story and I think as you go into the legislative session if you get more support for what could happen in the next legislative session. You know we're good. We invested about 100 million dollars in two big projects about five and a half years ago, so we have one checkpoint.

It's a great time just to have one checkpoint because the staffing gets improved when you're only trying to have pre-check and we now have pre-check for all hours it's open so we're in a good place. We're doing a master plan update, so we'll see what the future holds.

HUTCHISON: Wonderful. Chris, any other update on infrastructure issues there at McCarran?

JONES: Certainly. We are in the midst of a roughly 50 million dollar project right now to connect a portion of our D Concourse with Terminal 3. Terminal 3 just celebrated its fourth anniversary earlier this week and we had much more success than I think anybody would have envisioned with their international air service development and much of the credit goes to Paul for that.

HUTCHISON: Well done, Paul.

JONES: We started out with seven gates that were configured for international arrivals with the sterile corridor for customs to be able to process those arrivals. We are now in the process of doubling that total, so about a year from now we will have 14 gates. We are already in the process of trying to juggle how we will handle those flights in the interim before they come here.

HUTCHISON: What's the total capacity for gates there?

JONES: Once this project is done we'll have 109 gates available, and fourteen of those will be set up for international arrivals. We did north of 45 million passengers last year. This year we're trending to be close to our peak year which was 2007 and we did almost 48 million passengers in 2007.

HUTCHISON: Those were the go-go years, man.

JONES: Those were the go-go years.

HUTCHISON: Yes, they were.

JONES: No, but our numbers that we just reported yesterday in the paper, our May was the busiest May since 2007. We do more than 4 million people a month on a pretty regular basis now so things are going well and it's a matter of really preparing now for the next piece of the growth curve.

We knocked out our old Terminal 2 the beginning of this year. It's a great piece of property with a lot of airside access that offers us some potential for things to go forward. We need to look at what our airspace limitations will be and what our road space limitations could be and figure what the real raw capacity would be. But generally the director has been citing about 55 million people per year so we've got another 10 million to go.

HUTCHISON: Thank you. Mike or Ed, any thoughts on infrastructures?

COSTER: Rich people problems.

HUTCHISON: Big population challenge.

COSTER: That's why I walked in with this little, short outline. First of all I have to thank Ryan who has done a great job keeping in touch with us and with the community as the representative.

HUTCHISON: Good. Well he's terrific.

COSTER: He's a great value to us and several people send their best because of exactly that, Ryan. Now I want to back up, as far as TSA, we lost TSA so the advantage we had in this little chronology of getting direct into McCarran is really diminished. We're going to have to transition through TSA so going to North Las Vegas is all the more attractive now. Let me look at that chronologically.

HUTCHISON: Yeah.

COSTER: We did have air service that went through North Las Vegas some years ago. I think the airport authority and maybe it was the airline, ran a shuttle regularly. Of course Uber didn't exist then. I never heard there were problems with ground transportation problems at that point because there was very little wait and I think it may have been every 20 minutes and whether they still run it on demand, how they do that, I don't know. But it's different if there's other traffic going through there, then it might be readily re-established. It's not a really long run. When I got here in 2010 we still were under the DAS program and we got locked off of that at the first cut which nailed about 12 to 13 airports around the U.S. because of the high cost per seat subsidy.

They came back in later and reduced it. Now there's other requirements that are reducing the overall number of airports, and it is I'd say from an editorial standpoint, a damn shame because you see airports that are 35 miles away from international airports like Dulles International in D.C. that are still in the EAS program when it's intended to service far out rural airports.

The concept has been kind of abandoned, but we're out of it as are a bunch of other airports so our airport has been on the decline since we lost EAS in 2012. When we lost it and that lost TSA we of course lost a little bit of employment that was created with it.

The county stopped doing significant funding at that point in time; significant relative to what we had. Our own funding went down because of our own economic changes. We still have a part-time airport manager who was commissioner elect essentially because he's running unopposed for commissioner so you will meet him wearing both hats.

HUTCHISON: Okay, good.

COSTER: And, six to nine months ago, we surrendered our Part 139 Certificate. As one of the four airports in Nevada that had Part 139, commercial air authorization, which we had since the 60's, we didn't have the money to keep the infrastructure up for the annual inspection.

Some of the main airport infrastructure items, runway and taxiway, which are being assisted through, the FAA funding program, are in enough trouble right now that the hospital is looking at moving off of fixed wing aircraft to helicopter which would have manifold, negative effects in that they will only go to Utah. We'll be losing transit to and from, you know, the medical transit and the medical business so to speak.

[inaudible] we always do, right, the medical – it was down in Las Vegas that they get a good share of right now. In losing the 139, we did become eligible for funding under the State Department of Aviation program which said that they would all but – my words – I don't want them to have to defend us, pretty much put us to the head of the list to be very cognizant of what our needs were because we had participated in the past though our pilots buy the license plates and all the good things that wrap into that program.

We will, for planning purposes, we will never get TSA back and we will not get our Part 139 certificate back. We were grandfathered in. We're an old airport.

We were granted in the World War II era so we were grandfathered in on a number of things that would not be grandfathered in or highly unlikely to be grandfathered in proximity of parking, controls around the airport, some of the security measures. We were the only airport I know of in the western half of the U.S. that had no [inaudible] evaded the traditional security badging and background checking, stuff like that, because it was very low volume and we kept telling them we couldn't quite hear what they were asking. We never got one.

That's kind of a three-step decline to get us to where we are now. What difference does the airport make for us? Right now we have no bus service in Ely. We have no rental cars and we have no air service. You can leave Ely if you strike a large animal, have a breakdown or otherwise [inaudible 42:58] you know plan your divorce in Ely and then head a different direction, whatever it is that leaves you without a car.

You can beg a ride out or you can rent a U-Haul truck and drive your family out. That's it. It's not uncommon for people just to drive people up to Wendover to where they can get to the airport, they can get to Amtrak and they can get to the rental car outfit. We have no shuttles of any kind. The VA shuttle, on another note that was taking people to Salt Lake City for other reasons has been disconnected.

So we're heading – the eastern end of the loneliest highway in America is getting a little lonelier this year. Notwithstanding over and above that I should say tourism in terms of packaging and vitality is definitely on a grow thanks to Ed Spear. There are more marketing, more movement towards packaging of tourism.

We are at a gateway to the nation's now second newest national park. Their numbers are growing by 10 to 15 percent every year. They're doing great and I love living in a county that is home to a national park, only one of two in Nevada of course. That draw has a direct impact on the utility, the future utility of having air service.

But because of the TSA issue and 139 we cannot play ball with Elko, directly with a scheduled carrier. We can only do air charter even if it is "scheduled" air charter with a printed schedule on the wall, Part 135 operator. Whether that goes down to North Las Vegas or if it ends up in Elko both would work and either would be very, very attractive.

The airport has been used historically, and I mean in the last decade, for extensive movement of our medical personnel, doctors and anesthesiologists and stuff who come and some other non-doctor specialties who come through on a seasonal basis because most are the doctors. Some of them are private pilots. They fly themselves.

Our industrial support, again for parts as well as executives and people who come in and out. Of course the state jet comes here occasionally, but the industrial traffic now is dropping off just because of the hazards of the airport. We've had to close half of our principle taxiway and we're hoping what we have on some runway trouble will hold up until the FAA funding that we've been able to come up with matching funds for the next two years actually turns into asphalt instead of grant paper.

Let's see, I mentioned the helicopter and again, they're a pretty big user. They're based at sometimes two aircraft bases that covers regional hospital and losing that med flight provider would be bad for business, bad for employment, bad for the hospital.

We've got a very aggressive helicopter company helping, you know, med flight helicopter operator out of Utah that wants all the business and has tentatively proposed and had favorable reception from the hospital board that's building a helipad at the airport which we don't have and the county owns the park that's it's adjacent for that. It's at the hospital, right at the hospital, yeah. I mean it's on the Emergency Room side so it's kind of made to go.

So I wanted to see what Ed might want to pitch in on the tourism side, but I would say that we're very flexible and we would be good partners on a small scale to anything that could work along this Wendover- Elko-Reno corridor and likewise North Las Vegas which did work well in boom times.

Our legal constraints or what kind of partner we could be are given to us by the Feds, and unfortunately I hate to say it but we are the ghost of future aviation for Elko, but it can be avoided just like in the novel. They don't want to end up where we are, having, you know, leaving the 139 certificate behind and losing TSA is a one-way door and a big step down, and we've had both those things happen in the last two and a half years.

HUTCHISON: Ed, anything to add on airport infrastructure?

SPEAR: Mike pretty much said it. When we had the EAS and use of North Las Vegas, that was actually was key to a lot of our programs because for conventions,

meetings whether for the industries around the state, around the community, we rely on air and North Las Vegas was essential. It made it easier for us to get representative delegates to these conferences like this meeting here.

But when you have speakers that fly in, we were forced after the EAS to try to figure out ways to get them up here by private vehicle. We had no bus service. So that really limits what we can do within the convention business. As far as our tourism role, we are gaining and growing. We just came back from Europe. We went to the Jet Blue product launch and that was exciting because of the way that program is set up with non-stop servicing in Reno. That was a natural for us. We had actually had people rent cars and drive into Ely. I like that they're flying into the state. I know Elko now, when they were flying to Reno, that was a good deal. Now SkyWest has dropped that and you guys strictly have to go through Salt Lake.

The cost of buying in to Las Vegas against Salt Lake City is [inaudible]. I mean I would like to see somebody put EAS back in the system. I know back in '83 there was a one quarter cent on jet fuel that went to economic development which was dropped at the next legislature because it had a crucial impact on this airport down here.

I'm not a real fan of adding cost to airlines to offset rural areas, but I can tell you that it actually has really had an impact on [inaudible] and White Pine County that DAS went by the wayside. But like Mike said, we have subsidized airports around the country that are within 10, 30, 40 minutes of major airports.

Maybe the state needs to go back to Congress with all the things that Mike just said. In Elko is definitely, if they lose that, and I didn't realize they were that close and I thought they'd always be able to maintain that, but that commercial service...

HUTCHISON: It's crucial.

SPEAR: We have an incredible health facility there for a rural area, our health clinic, our hospital, our special surgeons and different doctors that come in, without them, we're in big trouble.

COSTER: I think Ed and I came at it in a different way. If we cannot have our name on a document that comes out that changes things in like three to five years, we still want it vigorously support it if Elko's on it. Because we're not exactly partner Cities, but what's good for Elko is good for us. It still, you know, gets people closer to us. It gets us somewhat closer to commercial air service. So again,

hopefully we're not disqualified because if it's only going to run at the 139 level. We would be disqualified.

But we would support it even if it goes that way because having that regional – I mean what does the state look like for airports? Think about that. We can't be like Wells, our airport is not a daytime only airport even at this point or, you know, when snow covered. But we're kind of on the edge, one tier smaller than our airport then they are really a hobbyist airport, and I say that as a hobbyist pilot.

You know it's not critical transportation at Wells or Alamo if they ever see snow and places like the Eureka Airport where a retired couple reside at the airport with the oldest snow plow in the county that they run down the runway. We don't want to be that. We don't want to see anyone else move to that direction.

HUTCHISON: Thank you. It's very helpful to have the regional perspective of all of you. Are there any final comments before we move off the airport infrastructure? And then we're going to move on to air services?

NEWMAN: Yeah, Don Newman for the record. I would just add that sometimes it's that catch-all of be careful what you ask for. We've asked for jet service. We wanted to get off the airplane service and we've moved to that, but the costs associated with that I think from a Delta standpoint, SkyWest standpoint, have not helped us. Part of that problem is the aircraft that they were servicing us with is being phased out.

GIBBS: It's phased out.

NEWMAN: It's now totally phased out. We've lost the ability to bring those smaller planes. It's great that we have jet service but it's also added some other problems to our mix. And then the fact that our carrier, Delta, doesn't want to fly to Reno since Salt Lake City is their hub. They don't want to go down here. They want to keep all the passengers within the systems. Another challenge.

Air Services

HUTCHISON: Thank you, Don. All right, unless there's further comment let's move off Agenda Item 3 and move on to Agenda Item No. 4 now, Air Services, and open up for discussion, insights, thoughts about promoting domestic and international flights.

I think McCarran does that a little bit and Reno-Sparks certainly does that a little bit. Any kind of northern perspective on what's going on? There's been a lot of great things going on at both those airports. Let's start there.

MORA:

Marilyn Mora, Reno-Tahoe International Airport. I think where we first started talking about the formation of this group is it really wanted to see NCOT and Travel Nevada, focus on bringing people into our state through our airports because somebody that comes here – I think any study you do, somebody that flies in, stays longer spends more money.

I mean, the success that McCarran is having as an international gateway and the growth that's expected there I think benefits the whole state. But, I really appreciate – I think there's been a turnaround certainly from my perspective with Travel Nevada helping us, you know, when we get significant new air service.

And for Reno that was, service on Jet Blue to JFK and we really had a team of people from Travel Nevada that helped us launch that service. I think that's important that the Division of Tourism really helps support some of that growth that we're all trying to do in terms of air service.

HUTCHISON:

And just on that topic, Marilyn, what was particularly helpful and what could be even more helpful from NCOT or from the division?

MORA:

Well it was helpful to have NCOT at the table in terms of the launch and, you know, I think equally I can't speak for McCarran but I think to have a focus on where McCarran is trying to grow from an international perspective is just really good for the state.

And so, we've had Larry at our side when we talked to Copa Airlines and I think that's beneficial to have that dialogue and I think we've certainly enhanced the partnership over the last two years. I think that it's good to have a focus and again, it just brings more money.

I know that you count on people to fly into San Francisco, but far better that they come into our state through McCarran or Reno or hopefully Elko in the future, than go into another airport. Anybody that comes here I think is good, but I would rather see visitors to this state come through our airport. I think we all can have a coalition to try to do that in our marketing efforts.

HUTCHISON:

Larry, you want to comment on that?

FRIEDMAN: Historically until a couple years ago we, the Division, had not been involved with any of the airports and I think McCarran and the LVCVA have always had a strong relationship. In the past couple years as Mark and Chris have alluded to, they've taken advantage of our grant program for marketing dollars. We certainly have in the past couple years been much more involved with Reno-Tahoe and through RASC, the Reno Air Service Committee, but also directly.

I think there's also been a change, if I may say so, between the RCVA and the airport as well and a closer relationship. I think under Marily's direction the communication between tourism, both of our entities, and the airport has been stronger. That's part of the reason why I think we're interested in this is certainly to be able to work more with the rural communities which has always been a focus of our division.

I don't know with McCarran – their relationship with the LVCVA is so strong. We did as you know recently do a European sales mission in part with the activity from Norwegian Air and the statewide potential with that. Stockholm was one of the stops.

You know I would hope that when needed we could be called upon. I know Claudia, our Director, has some ideas to use the Lieutenant Governor and the Governor in some future air service. But it is – it's the reality, whether good or bad. Until a couple years ago we had not been that active with the airports.

NEWMAN: Don Newman for the record. I think Larry did that. All of the programs that you've taken on and the international travel, certainly Reno-Tahoe has benefitted greatly from that. We're in a situation here where we have the cream of the crop elite. When you talk LVCVA and McCarran International Airport it doesn't get much better than that.

What we've got to figure out here is really Reaganomics. It's a trickledown theory here. The growth in Reno is tremendous. If McCarran is that gateway to get to Reno-Tahoe, but now they're growing to the point where international and more national business is coming to them, how do we on this side of the table get there to get out?

So that international group that Larry's working with that wants to have a fam trip into Elko and down to Ely or across 80 to Wendover, can we get them to Reno and from Reno into Elko so that then we can continue on the way. Again, Reaganomics is what we're talking about.

HUTCHISON: And that's the goal, right, Larry? That's always been our focus.

FRIEDMAN: Yeah, get them into the state and throughout the state.

MORA: Well and I think as you get heads in beds that's your goal. But somebody that's a repeat international visitor – I've had this conversation with Rosemary Vassiliadis, if a repeat customer is coming back, is there more in the state that they can see or somebody that has an extended stay, I think we want to play a role after you fulfilled that mission. Is there something else that we can be linked to, to encourage a longer stay of somebody that's coming internationally or is a repeat international visitor because you're only going to continue to have success on the international front. I think as the international gateway for the state, we want to benefit from that also at our end.

NEWMAN: We flew the new United flight into China in our trip a year and a half or two years ago. We were able to go out of San Francisco, direct non-stop into Guangzhou I believe it was, China. So how do you get that Chinese traveler from San Francisco into what direction? Where do they want to go to start their journey into the State of Nevada? We want to keep that international visitor.

MORA: Come into McCarran.

NEWMAN: Right. We want to keep them in the state. We don't want them flying out of Salt Lake City.

HUTCHISON: Chris, any thoughts to follow-up there about Vegas or McCarran?

JONES: I want to address a point Marily made for a moment and then I want to let Paul take a moment to explain how our work is done with the LVCVA.

We do, when we meet with airlines, part of what we discuss with particularly foreign ones is the centricity of Las Vegas versus all these national parks. If you draw a couple of radius points outside of Las Vegas and you see all the national parks in Utah you come into our customs area and you'll see pictures of the Grand Canyon and we have people say why do you have pictures of the Grand Canyon in a Nevada airport? Because we're the closest airport of any size to the Grand Canyon.

That is a draw. That is something that we see whether they're coming from Asia or Europe, when they end up in Nevada the foreign travelers do not just stay in Las Vegas. They want to go to Valley Fire, they want to go to Zion, we hope they want to go to Tahoe but they want to go see some of these other things that

are, you know, out in Lamoille Canyon or whatever attractions may draw them in.

We do use that in our sales presentations if we can, as Marily said, get them to come into Nevada first, from our perspective get them to come to Las Vegas first, spend time here, spend a few days here, spend time elsewhere, spend some money in some of these other places as well. So that's very much a part of our sales focus.

HUTCHISON: Right, so you see that and you actually use that, Chris, as really a win-win statewide, right? I mean, you bring up Vegas because it is such an international attraction, right. We were just in India a couple months ago with Larry, when we opened up our travel and tourism office there in New Delhi and the third place they want to come after New York and San Francisco is Vegas.

JONES: Absolutely.

HUTCHISON: Right. Then the idea then is to collaborate with all of us here on the tourism side, get them into Vegas or get them into Reno-Tahoe and then get them into the state. I think maybe at some point in history and the people around this table have been here a lot longer than I have, but that may have seemed at odds with maybe McCarran's goal or maybe Reno's goal, but what I'm hearing is that's consistent with what you want to accomplish as well. But, at least it's part of the pitch.

JONES: Again I think our first point is to get them into Las Vegas, put the heads in beds, but the reality is a lot of these foreign travelers when they take trips they don't take a five-day trip; they take a two-week trip, they take a three-week trip. And I'm not naïve enough to believe that they're going to spend that entirety of a two-week or three-week trip in Las Vegas.

They're going to rent a car. They're going to go somewhere else. They're going to get in a plane and go somewhere else. A lot of what we see we refer to as the golden triangle and they may enter the country in Los Angeles or San Francisco, they'll visit the other of those two cities and then they'll come to Las Vegas and they'll make a circuit before they head back to Europe or before they head back to Japan.

HUTCHISON: Or they'll take San Francisco to Reno, right or whatever.

JONES: Exactly. So we realize that's going on and I think from our perspective, there's a key distinction here. It's subtle but I want to outline it. We don't view this as a

connection. You're getting off the plane, you're leaving the airport, you're coming in, you're staying at the Mirage, you're staying at Palace Station, you're staying wherever.

Then you come back to the airport or you come back to get a car and then move on to Reno or to Los Angeles to wherever it is that they may go. As long as there is a reason for them to either begin or end their trip in Nevada, fly in or out of our airport, what they do within that is beneficial to us because that's what gets them to this part of the country as opposed to going to Florida or the northeast.

FRIEDMAN: If I may before Paul just to add to what Chris says, so part of what we do then is to take the idea of Las Vegas and the notoriety of and the desire to see Grand Canyon, Bryce and Zion, Monument Valley is to tell them it's a loop. You don't go to Salt Lake. You go to the Great Basin National Park, Cathedral Gorge, Valley of Fire, and it's a perfect circle. The international visitor doesn't know the states lines. Also in the north with Yellowstone. Yellowstone is one of those iconic destinations for the international visitor. Getting them either to go from Las Vegas up to Yellowstone or fly into Reno and not just drive across Interstate 80 but one of our pushes is then just stop, stay the night in Elko or Wendover before moving on.

As Chris said, we very much use not just our national parks and we do claim Grand Canyon when we can and all of Death Valley. That's – I'm joking. But...

HUTCHISON: You have to tell us when to laugh at those jokes.

FRIEDMAN: Sorry.

HUTCHISON: It's not relatively apparent, Larry.

FRIEDMAN: Sorry, it's just international people think the Grand Canyon is in Nevada and I don't want to be the one to tell them...

MORA: No.

HUTCHISON: Well McCarran is doing all the [inaudible].

JONES: Nobody from Arizona is here, right?

FRIEDMAN: So anyway I just wanted to...

HUTCHISON: Yeah, great point. Paul, what are your thoughts?

BOBSON: I think just to start we look at how the traffic would get from Las Vegas to Reno, how do international passengers since we're talking about that. You have to look at the operators between Las Vegas and Reno. They do not co-chair, they do not interline. That would be a free and independent traveler who is buying a broken trip and buying that segment on their own.

You know just to pick one of our international carriers, Korean Air, if I'm coming from Seoul and I want to go to Reno I can't book that on my through ticket, but I could, you know, Incheon to Vegas, Vegas to back out at L.A. or something. So it's maybe focusing on getting working with those two carriers and how do you market that segment to make sure that those passengers know that can get up there via air service, not just by bus or renting a car.

Just to reiterate on the relationship that we have as far as air service. Everything that we do with air service has a destination, we do together. Whether we're in Asia meeting with their lines or Europe or whatever, even domestically, when we come to the table the airline always sees the airport and the destination. That's still very unique if you look at the major competition for Las Vegas, Chicago, Orlando, they still don't do it like we do even with those major convention centers. You always have the airport and a destination there to talk about the operation, whatever incentives we might be able to offer and the product, then what their passengers are going to experience when they're in Las Vegas.

Because we know we're one of the world's most recognized brands and they want to come to Las Vegas. Their retention rate is greater than 80 percent. We know that they're going to come back and they're going to stay five to seven days and they're going to spend a lot of money. So you know, Vegas constantly reinvents itself, so it just makes sense for us to both always be at the table to show them new product and what's coming online.

MORA: You guys are a model. I mean the work that you do to get them between the airport and LVCVA.

HUTCHISON: And maybe Joe, you can comment on that a little, just about the relationship and the air service with LVCVA and with McCarran.

HANDEL: Yeah, Jeremy Handel with the LVCVA. I mean we have one mission, that's to put people in 150,000 hotel rooms, fill them as much as we can, as many nights as

we can. In order to grow we've got two key markets we're focused on. That's international and business. Neither of those work without air service.

You know our drive-in market, our weekend market from southern California is huge but if we're going to grow mid-week and we're going to grow those key demographics that we're focused on it has to be our service. We've seen that for years that we needed to work with McCarran and as Paul said, we're still a model as has been said for the rest of the nation. Nobody has picked up on why we are successful and why we've had that success.

That being said, if we don't continue to put that message out with all of the new stuff that comes into Las Vegas we're not going to have that success. We've worked with McCarran to bring British Air in, we've worked with them to bring in Copa to reach a new market in Central and South America, and those are not overnight things.

British Air took what, a decade to get them to come here? Copa was a little quicker because I think that market has such a hunger for not only Las Vegas but as Larry talked about, it's the West. When those international travelers coming in they're either going to New York, Miami or they're coming to L.A./San Francisco/Las Vegas. The central part of the country unless they're going to business in Chicago, they don't care.

What we want to do is be with McCarran and get those flights so that when they're making that choice the West looks more attractive to them. We do work closely with NCOT and we have some of the room tax from down here that goes then to NCOT. They're magic in the rural parts of the state and – I lost my train of thought.

HUTCHISON: Yeah, we fully recognize that and talk about that in our commission meetings on a regular basis.

JONES: If I could add one more thing.

HUTCHISON: Chris, yes. Chris Jones for the record.

JONES: Chris Jones for the record. We're very much sniper rifle as opposed to a shotgun. When we go into these meetings with these airlines, when we are strategizing as to who is a viable target we're not meeting with people willy-nilly. We're not just hoping, hey we'd love to have somebody from Japan, let's go talk to everybody there.

We look at the data. We look at the number of passengers that we know are coming to the destination from a particular market. We look at what type of aircraft they had and did they have aircraft available, were they all tied up, when are they getting new aircraft? Any possible business contingency that could come into a decision we are evaluating it and we go in with hopefully knowing what cards they're holding when we sit down at the table. The numbers are absolutely critical because as I said before they're not in this business to lose money and the dimensions of how they make the decisions I think have changed quite a bit in recent years.

You know for awhile before they may launch a route and they may stick with it for awhile even losing some money because they felt like they don't want to throw money down a hole because they made this investment. They see if they can make it work. Now once they realize they're throwing money down a hole they'll pull out.

There's an item later in the agenda that talks about risk mitigation, there's an item that talks about how we can strategize to where those ends but at the end of the day we don't believe you can buy air service. We don't believe that putting money toward a carrier for a period of time is fulfilling or lasting. We really don't do that. We really will try to look at somebody and say okay, do those numbers pencil out and can this route work before we sit down with them and try to encourage them to come in because at the end of the day we want them to be successful, we want them to be a long-term partner. That benefits us, that benefits the community, that benefits the state.

So as we talk about these things and ideas of things that must, you know, be presented going forward, that's always going to be the bottom line from our perspective. How we view it is, is it financially viable and how can it be financially viable?

HUTCHISON: Independently financially viable.

NEWMAN: Chris, I think we're a role model of that exact statement. I mean we cannot buy service because we've done it in the past. We've subsidized risk mitigation.

HUTCHISON: Elko has gone that route.

NEWMAN: Absolutely. We've subsidized seats as soon as the subsidy runs out so does the carrier. They're gone. It doesn't work. We have to have a partner. I think we need to – in this room we have to come up with a creative, innovative solutions. We need to have our Governor reach out to his best friend, Elon Musk and

create a solar airline that can fly the state and would fly from Reno the Tesla headquarters to Elko to Wendover to Elko to Ely and Ely to southern Nevada.

I mean we've got to do something totally different. Their problems – we're not even a speck of anything that McCarran's got to worry about – does not apply to us. We just need a carrier to stay within the State of Nevada.

HUTCHISON: So to do this Elon Musk's next project is finance and create a solar airline.

NEWMAN: Absolutely.

HUTCHISON: Okay.

NEWMAN: Richard Branson. [laughter] Go international, if that's what need be.

HUTCHISON: Hey Ed, do you want to jump in? You want to say something?

SPEAR: Ed Spear for the record again. The international market I think is really crucial to rural Nevada. You know we went on a couple of trade missions. But one thing, you know, I've been involved with the grand circle – holy moly, I can't tell you how many years, 25 years or whatever, and that markets all natural parks in the southwestern U.S. You very rarely hear Great Basin because most people don't know what Great Basin is.

HUTCHISON: It's not well known, right.

SPEAR: Yeah. And I hear our partners don't – say that as well. We found through the international market and domestic – we started with the CSA many, many years ago. They're really familiar with Grand Canyon. Before long there Bryce, Zion...

HUTCHISON: Lost Valley.

SPEAR: ...and all them. But then they start branching out to you all. I think that Reno, when we go and look at the international market and we do our promoting over there and in domestic that we're probably fourth of fifth trip back into the state.

So we, you know, after that they're looking for the Valley of Fire, Red Rock – they seem to all hit Red Rock. I don't know why the Valley of Fire isn't on top of that list, but they don't. The Cathedral Gorge – so I think international is so important to us because length of stay.

HUTCHISON: Yeah.

SPEAR: You know they have those holidays over there where they're mandated five or six weeks, mandated vacation. They have time to prepare. When we see them come into Ely and Elko I'm sure as well unless you get the ones that's flying through to Yosemite or I mean, what the heck, Yellowstone.

HUTCHISON: Yellowstone.

SPEAR: Yellowstone or Glacier. They come in, they spend a couple nights and a lot of our domestic travelers spend one maybe. But our international is so important and it's so important for us to promote Las Vegas which we do continually because this is the gateway into all the national parks in this region of the world and it really helps us. Promoting international tourism is crucial to rural Nevada without exception.

HUTCHISON: And a lot of people don't make that connection, do they?

SPEAR: No, they don't understand that at all.

HUTCHISON: Good point, great points. Other thoughts?

MARILY MORA: Marily Mora for the record. I just want to echo what Chris mentioned is for an airline to serve a market the numbers have to work and, you know, I think the role the state can play is really in the marketing support because all of us market. LVCVA, you help I think air service in terms of a marketing support.

I think that's really what, certainly from Reno's perspective, is the state can help market. But even if we at our end do risk mitigation, you can't do it on something that the numbers don't play out. We're kind of in a different situation certainly than McCarran, but I think the role the state really can play is for air service is from a marketing end.

HUTCHISON: And can you just put a little more detail on that in terms of just marketing support? What have you seen that has been particularly helpful, what do we think we can do better?

MORA: You know I just think more of a partnership that we've developed certainly.

HUTCHISON: What you described there I agree, right.

MORA: Yes.

CUNNINGHAM: I can jump on that too. A specific example is when we went to New York with Jet Blue. The State of Nevada provided resources in terms of their contract with Fahlgren Mortine and set up media, desk side visits with us, and because of their resources and interaction with that market and your agency it was so helpful for us to piggyback on that opportunity.

FRIEDMAN: If I may just add to what Jeremy said, we do work a lot with the LVCVA and fortunately have been not just invited but welcome on all of their international sales missions which is to the benefit of the whole state because we then promote the whole state. There is a lot that we do with LVCVA and take advantage of on behalf of everyone.

I think one of the greatest examples of the importance of air service is really the Volaris flight from Guadalajara into Reno and the difference that makes. We'd been working the market with great success, knew the operators, but the energy and enthusiasm now from the operators and the travel agents when we are in Guadalajara coming and wanting to meet with us is because of the credibility for the market with the Volaris flight.

It really has made a big difference and made it a lot easier to promote Reno, Tahoe and the rest of northern Nevada. I say that in part because we do understand and appreciate the air service, but Paul brought up an interesting point that Marily and I discussed the first time we ever talked.

We at the state also care about Beatty, Pahrump and Tonopah. For us when you talk about that there isn't the agreement with Southwest and looking to the fly/drive, we do work with the tour operators internationally about the fly/drive as well to get them in a car when they arrive in Las Vegas and promote the fly/drive up to Death Valley and Tonopah, et cetera.

The other thing that we have, that the LVCVA has that we plan to do more with and actually tried to use in support of the Thomas Cook flight when it was proposed from London to Reno is that we have a letter of agreement and a financial agreement with Brand USA. That is something that the LVCVA uses and something that we can use to further help air service.

We had agreed, in terms of marketing support to do \$100,000 in marketing through Brand USA because they would then add a 15 percent value-added match to our dollars. That is something else we can do. There is a lot that we are doing and can do on behalf of all of Nevada.

HUTCHISON: Great point. Mark, you want to jump in?

GIBBS: Mark from Elko Regional Airport. I'd like to chime in a different perspective than Mr. Jones in urban area of Clark County. I'm going to represent rural Nevada. He was talking about well mitigation strategies should always be about the profit line. Well I completely disagree and I'm representing rural areas across the western United States.

We're geographically isolated with large driving distances and providing transportation connections, there are plenty of roads in the State of Nevada that you're putting millions and millions of dollars in that the profit volumes do not pencil the investment you're making in those roads.

But why are you investing in those roads or rail or pipeline or whatever? It's because those connections allow a quality of life for our citizens. Elko County leads the entire state in suicides. We have one of the most egregious mental health gaps in the entire state.

Air service provides a transportation node much like rail or road that provides a lot of other benefits that aren't tangible, that aren't about profit. They're about our citizens. They're about our businesses. They're about healthcare. West Wendover just brought up a brilliant point about their lack of access to healthcare or even veterans connecting our veterans to the VA hospitals.

We aren't Clark County. I can't just drive down the road and find, you know, a cardiologist in Elko. We have a shortage of cardiologists in Elko. So when we're talking about air service and we're talking about the entire West, Idaho to Wyoming, a lot of these big markets like Las Vegas or Reno or any big market, they have large convention authorities which are also bringing dollars to this that we just don't have.

HUTCHISON: Right.

GIBBS: So when we're talking about mitigation strategies, and I bring us back to Wyoming, if Wyoming hadn't had their program they would maybe have one or two airports in their entire state with air service, that's it.

HUTCHISON: Yeah.

GIBBS: The whole swath of their state wouldn't have any access to air service, and that has an intangible and tangible negative impact on those communities across the state. Ely brought up those exact points as well. When we lose investment in our entire state, we disproportionately affect certain areas worse than others.

And so I'd like to bring us around again. Yes, I agree, we should work absolutely partnering with as many people to make the risk mitigation strategies as least costly as possible. But, if we ignore the fact that the state needs to look at a holistic view of their multi-modal transportation system and we just look at profit dollars, I think we're doing our citizens, especially in rural areas, a major disservice.

HUTCHISON: It's definitely a policy question, isn't it, for policy and decision-makers across the state. The same reason with the postal service, services rural Nevada or rural, Utah or wherever else. They're not going to be profitable mail routes but they decide they want to have mail services to every citizen in that state.

I mean as a policy level decision you got to make the case to the legislature and the case to the Governor's office and the decision-makers, that what you're describing makes sense. I think historically policymakers have supported that in many ways.

The rub always is to what extent do you support that. And, how far does the money go? But, you're right, it's a policy question not always driven by just pure profit, or pure financial calculations. Thank you. Yes?

CALDER: Curtis Calder for the record, City of Elko. One other point that leads to, and I know we will probably talk about it under potential partnerships but Elko's situation is we're a business airport. We are the home to the largest gold mines in North America. There's a lot of money being generated on behalf of the state in Elko, Nevada, that's distributed elsewhere in the state.

HUTCHISON: Second leading industry, right, in the state?

CALDER: Exactly. Quite frankly Elko feels somewhat ignored by the State of Nevada, and we don't ask for a lot. We're pretty self-sufficient. We don't ask for a lot.

HUTCHISON: Right.

CALDER: But one of the things that's different, we're not a tourism based economy. Some of these other airports are definitely tourism based. We're a business based economy. SkyWest Airlines recognizes we're a business based economy. They actually added some flights at the beginning of June to explore that even more.

So even though we sit here worried that we could be on the SkyWest chopping block at some point in the future, because we're a business economy they can charge a lot more for their airline tickets out of Elko, Nevada, than they can in their other markets. They're still continuing to make money even though their volumes are lower.

So those are things that we need to recognize as a state as well is that, if we're the second biggest economy and we're a very small per capita base, the little city of Elko, Nevada, can't subsidize this large industry indefinitely.

HUTCHISON: Alone, yeah.

CALDER: We have for a long time, and we're one of the few small cities that are operating a Part 139 commercial airport, and we have large capital projects just like these other airports. We just finished 12 million dollars in capital improvements on our runway last year, which was part of a multi-phase runway upgrade.

We've been able to facilitate business through mining and vendors and some tourism base such as the mining expo, but there's somebody missing at the table, and that's the economic development folks. I think if this task force were to go forward I'd really like to see a representative from the Governor's Office on Economic Development.

HUTCHISON: GOED.

CALDER: I'd really like to see their support for it because we've asked for the support year after year after year and it always ends up falling into the tourism bucket, which is great, we appreciate the tourism support. But, Elko isn't a tourism based economy. We're a business based economy.

I think if these meetings were to continue and as we move forward to the legislative process we will be bringing forward another bill draft. This will be probably the fourth or fifth time the City of Elko has done that. We'd love to see the Governor get behind it. We'd love to see the economic development folks get behind it, and we're really like to see some recognition for the investment that's going into northeastern Nevada.

You hear very little about Newmont's investment in the northeastern Nevada. You hear all about Tesla in Reno. The Newmont Long Canyon project is just as big. It's a 600 million dollar capital investment and you wouldn't even know about it unless you drive by it.

HUTCHISON: Right.

CALDER: So those are things that I think Newmont would like to see, Barrett would like to see.

HUTCHISON: Nevada Mining Association and right, all that, you got a whole industry there, right, that is so dependent on what happens.

CALDER: And Congressman Amodei was just out in Elko yesterday. We met with him on three separate occasions, asked for what he can do at the Federal level, you know, Reno-Tahoe is looking at the SCASD Grant. I think they've applied for it on behalf of Reno-Elko Air Service. That's a great step. We've received a SCASD Grant in the past.

We don't believe that subsidized air service programs work either. But it does provide that incentive for a startup service because there's so much cost and risk at the front end of those new programs. But we want those programs to stand on their own and we believe that the Elko-Reno route not only has a historical success rate when SkyWest was running it, but even when Scenic Airlines came in and ran it for year, the Reno-Elko route was actually making money. Where they were losing money was when they started having to take the plane all the way back to North Las Vegas every day. Even though we were making the stops in Ely and those were subsidized through the Essential Air Service Grant, you know, flying an empty plane or one or two people on a plane is not going to be very cost effective. I definitely think that the economic development folks really need a seat at the table.

HUTCHISON: Good point.

JONES: Can I ask for clarification? So from your perspective Mark had said earlier that SkyWest has lost almost \$400,000. You believe that the weakness is the Elko to Salt Lake piece whereas it would be stronger if it were Elko to Reno?

CALDER: No, and I don't – I can't speak to their losses...

HUTCHISON: So that was Chris Jones and now Curtis is speaking.

CALDER: A lot of people think that the Elko Salt Lake route was an essential air service route and it never has been an essential air service route. It's always stood on its own. SkyWest has always made money on that route. They may have lost money last year due to some runway closures due to our construction. I'm not sure. I haven't looked at their finances. I believe they've recovered, but they

have switched the type of aircraft. They went from the Brazilian 29 Passenger to the CRJ 50.

The frequency of flights has dropped. We had more flights with a smaller plane. Now we have a bigger plane, less flights, but I hope that they're going to be successful and I think they have come confidence in the market knowing that it's a business market and that's why they've added flights. They added some Sunday flights to make some connections out of Salt Lake so people could either get in on Sunday night or they could actually get out Sunday night to get to other places for Monday morning meetings.

Denver is a big market for Elko because of the Newmont connection. Newmont's corporate headquarters are there in Denver, we're hopeful that they hang in there, but the reality is the 50 passenger CRJ's are going to be going away in a few years too. As the planes get larger the economies of scale change.

HUTCHISON: Mark, did you want to add something?

GIBBS: Yes, I just want to...

HUTCHISON: Then we're going to move on to customs.

GIBBS: Yeah, I'll just answer Chris' question. Mark Gibbs from Elko Regional Airport, yes, and we do the same sort of research and statistics. We follow the numbers as well. So the airlines don't tell us what their profit margins are, but we certainly know what the operating costs of a CRJ is. We've looked at even SkyWest's applications for grants under the ES program where they have to reveal operating costs for those types of aircraft. What we did was extrapolate those costs and of \$386,000 based on the number of enplanements that we had at the ticket prices that we averaged last year to give a rough estimate.

We don't know exactly what that number was, but from our calculations based on what the best available data is, is that they've lost money on that last route. I also would like to note that we did have some one-time, one-year construction impacts and navigational aid impacts that were unforeseen that also impacted the number of operations that could have tilted them to a loss situation.

HUTCHISON: Okay, thank you very much. Marily.

MORA: Marily Mora, Reno-Tahoe International. I just want to echo the comment about GOED being at the table. I know the growth in air service at Reno-Tahoe

International is really the growth and economic diversification in northern Nevada. I think it's just not tourism, air services, you know, both sides of the house, I think that that would be important to have a representative GOED here.

Customs

HUTCHISON: Thank you. That's going to be a nice segue way, Marily, because we're going to stay with you for our next agenda item. Kick us off if you don't mind on customs and ED issues and thoughts and problems and public and private dollars and expansions of check points and group communications [inaudible]. All of that.

MORA: Okay, I'm just going to start out and say we wish we were part of the Los Angeles Field Office as is McCarran. We're part of the San Francisco Field Office. Maybe you can talk since you've had a lot of success and so maybe you want to kick it off with McCarran talking about your success and then I'll talk about our issues.

HUTCHISON: I'm most familiar with the challenges at Reno.

MORA: But actually McCarran is a success.

HUTCHISON: Maybe there's a lot of smooth operation going on in McCarran. But Chris, go ahead.

JONES: Certainly. Again Chris Jones from McCarran. When we opened Terminal 3 in 2012 the facility was sizably larger than what we had had in a prior port. The prior port had only four gates. We had 16 processing lanes. The new one as I said earlier has seven gates, 28 processing lanes.

But because we had been a smaller tier U.S. port of entry prior to opening this new facility, we opened a brand new facility double the size of your house but you don't have furniture for that whole house basically or in this case the furniture was the people. CBP did not give us additional resources at the time that we opened that up.

So you go from a small facility to a large facility but no increase in staff. That first summer was very difficult. There were a lot of reports and complaints and we follow social media in letters and emails that come in. Long lines, two-hour lines, were common on a couple days of the week. Thursdays and Sundays were our busiest days. We recognized very quickly that we had a problem.

The problem, however, had to be fixed in Washington because CBP is a Federal agency and they have a finite amount of dollars, finite amount of people and we needed to very quickly work with our Congressional delegation which we were able to do. Thankfully in Nevada we've got a great Congressional delegation that understands the importance of air travel to the state and its economy.

So from Senator Reed, Senator Heller's been great recently with TSA, not so much on CBP because we haven't had those issues. Congressman Titus we've seen across the board. Congressman Amodei just the other day did a thing to possibly benefit Reno. It has to go through Washington. It has to go through that collaborative process to outline what the issues are and really make them go.

But we have since seen great cooperation from our port as Marilyn said. Our port is subsidizing the Port of Los Angeles. We got regular meetings with the port directors from Los Angeles. One of the former port directors in Los Angeles recently was promoted to a job in D.C. so now we have a friendly face that we know in Washington, D.C. and all of that has been to our advantage.

We received the additional resources that we needed. Paul keeps very close track of our wait times and they're among the lowest. They have been for a long time the lowest among major airports in summer peaks. If I could give any advice it's to work collaboratively. You want them on your side. You don't want to do things to alienate them.

You want to find a means of getting them to see that it's a part of a collaborative solution, and I think we've been able to do that with our port. As she said, you guys have got a different port and I don't know the relationship with San Francisco, but that's one of the things that from a statewide perspective it would be difficult to work collaboratively on that because we're part of the Los Angeles Field Division whereas they're part of the San Francisco Field Division. So that's a whole different set of people and...

MORA: And there's some of our Congressional delegation that would like for us to join you over in Los Angeles, you know, to have it synced up in the state so...

JONES: If I could add one more thing also, again Chris Jones. We also work closely with the Federal government to create a new program called the 559 Program. Paul was very instrumental in that so he can take a minute and explain how that works.

HUTCHISON: Yes, Paul please, sir.

BOBSON: Paul Bobson again. The 559 Program started as a 560 Program several years ago. It's a public/private partnership between CBP and the airport operator to where you can essentially reimburse CBP for their officers' time. Just about two years ago we rolled out the 559 Program at McCarran to where we have provided officers for our GA facility.

JONES: General aviation.

BOBSON: General aviation facility, and to increase our operating hours. Essentially McCarran with this program became a 24/7 port. L.A. is not even a 24/7 port. So we can accept an international flight during any time of the day. The airline will then reimburse CBP based on whatever costs that they have.

HUTCHISON: For additional officers, overtime or whatever.

BOBSON: Yes, the overtime doesn't stay the same. With CBP it's a set number no matter what it is, but it's just reimbursing the cost of that officer. You don't have to take an officer away from one of the 28 lanes that we have for primary at T3 if we have to in general aviation or to offer an airline. We've had several taken up over the years to come in at 1:00, 2:00, 3:00 in the morning or, you know, even 8:00, 9:00, 10:00.

HUTCHISON: Okay. Great. Thank you.

MORA: Marily Mora, Reno-Tahoe International. I'll just clarify we're trying to get a nuance fixed in the 559 Program because it only allows you to pay overtime for your existing officers. So, an amendment so to speak working its way through the appropriations would be that smaller airports like Reno could pay for up to five officers because we realize that it's very difficult for us to grow the international and so they're not going to add additional staff.

What we're hoping is that there will be a change in the 559 Program so small airports could pay in whole part for additional officers up to five because right now it doesn't do us any good with the overtime because we just don't have enough people.

HUTCHISON: Yeah. Do you see any benefit that comes out of this Subsection 3 here, Group Communication to Nevada Delegation, Supporting Solutions? I mean do you see a role for that and it sounds like we're doing all right with our Congressional delegation, just with the individual airports. I mean is that value added if there's sort of a group effort towards that end? What do you think, Chris?

JONES: Again Chris Jones. I think it's challenging to do it on a statewide collaborative basis because of the fact that we've got the two different divisions, districts, whatever, I'm not sure what the distinction is actually called within CBP but because we're in the L.A. Field Office and they're in the San Francisco Field Office.

What I can say is, I would encourage Reno to, you know, continue to work with the delegation and push them for the work that they can do in Washington, D.C. because we've seen the success of that. I think that to try to do something on a collaborative statewide level might be a little bit more challenging just because of that distinction.

MORA: I would say yes, our delegation is very focused on this issue of CBP and it's been tremendously helpful. We just shaved a half an hour off of our processing time because Congressman Amodei got our port director to actually process passengers.

That's helped us to get down to 90 minute period because we are required by signing in blood to get our Federal inspection service facility validated for the Volaris flight that we have three of our own police officers in the facility. They really have virtually done not a whole lot. Now we've got them that they are able to collect the declaration forms by the back door so that the port director can actually process U.S. passengers, so it's really helping.

HUTCHISON: Wonderful

CUNNINGHAM: Jennifer Cunningham. I'm just curious, would it be an act of God to move the field office to Southern California and really work...

HUTCHISON: Even more difficult, an act of Congress, right?

CUNNINGHAM: Yeah, right, good point. It's beyond frustrating for northern Nevada.

HUTCHISON: It's been very challenging. You get those air flights that the air service is in and then you can't service them.

CUNNINGHAM: Right.

HUTCHISON: Yeah so tough. Any other thoughts on customs before we move on? Okay, let's move on then to the most non-controversial aspect of our agenda here, the airline risk mitigation and...

FRIEDMAN: I think Chris would like to add something.

HUTCHISON: Oh yeah, oh I'm sorry, did I miss? Chris, please.

MELVILLE: He has some of it. I'll let Jim.

HUTCHISON: Jim, please, no please, let's hear from you, please.

PETERSEN: We have a fairly substantial group come from Canada and they go to Bellingham, they go across the border to Bellingham, then we bring them into Wendover. We spent about three years working with San Francisco, trying to get the same situation Laughlin/Bullhead City has, and that is when they come from Canada they go through Canadian customs, then they go through U.S. customs, then they come to the U.S. anyway.

HUTCHISON: Right.

PETERSEN: What they do in Laughlin is they have an agreement essentially with Las Vegas that – or yeah, with the Las Vegas CBP to just allow them to come in. The only problem is if there's an arrest warrant or somebody has to be there to get them. Well we worked that all out with our local police and we got all that put together. We worked with Senator Amodei, we worked with the Utah legislation.

The Peppermill Corporation put a significant amount of money into legal help to try to allow those flights to happen. Basically CBP just said we're not going to do that. They will let us do it if we pay \$300,000 a year for a guy to be there to work, you know, 12 hours in a one month time.

HUTCHISON: Not a bad gig if you can get it, right?

PETERSEN: Frankly we tried to work collaboratively with them. I certainly understand their position, however the Bullhead/Laughlin City thing still keeps working for them. We were just trying to get the same kind of a situation and it just didn't work.

Regarding the international travel, yesterday and in Wendover we entertained about eight people from Australia through our museum. We get people from Australia, from Japan, from Britain. We have a fairly significant international group that's coming to see this particular World War II site. So putting something together that would work with tourism that are going, you know, into Ely and Wendover. That would be a huge help to us.

HUTCHISON: A win-win.

Airline Risk Mitigation

HUTCHISON: Thank you, Jim. Thank you. Anything else on customs? Okay, let's do air risk mitigation. We already kicked that off a little bit, but let's get some additional thoughts. Mark, you feel strongly about this obviously. Anything else? You got a presentation you wanted to offer.

GIBBS: Yeah, most of the presentation is going to be for your benefit as airport industry folks are well aware of the big industry shifts.

HUTCHISON: Okay.

GIBBS: I'm just going to highlight some of the them 'cause you asked the question of what are some of the changes and what are some of the headwinds, and I said I'd discuss it later on. Okay, pass around to everybody.

HUTCHISON: Okay, you got enough to go around? Great.

GIBBS: This isn't going to take too long. It's going to be five minutes. There's some serious structural changes that are taking place in the regional airline industry. Since 1980 down to now we've significantly decreased the number of regional airlines in the United States that affect rural areas across the entire United States. Four of the regional carriers represent 75 percent of the market share in the United States.

We've also got another major headwind that's facing us, and that is a pilot shortage. The FAA passed a law after the Continental Airline crash in 2009. It's called Public Law 111216, and what it effectively did was increase the minimum hours for ATP pilot to enter into the airline industry, raising it from 250 hours to 1,500 hours.

The schools, the universities and the programs that are putting pilots into the market are continuing to graduate them at 250 hours, and then there's this big, very expensive gap between the qualifications of pilots that are coming out of schools and what are the minimum requirements for regional carriers to even enter into the market.

HUTCHISON: How do they fill that gap, right? Yeah.

GIBBS: Both Boeing and many other folks have looked at this trend. Within the next eight years 40 percent of the main line airline pilots which are the Baby Boomer generation are retiring out. There is an 18,000 pilot requirement for the next 20 years for just the four largest mainline carriers, okay.

HUTCHISON: Wow. These are regional carriers?

GIBBS: No, for the...

HUTCHISON: Oh just the four major carriers.

GIBBS: The four major main line carriers are going to require 18,000.

HUTCHISON: Wow.

GIBBS: The biggest in the United States. Well there's only 18,000 pilots in the entire regional airline industry completely. So if we do this unabated we're going to basically destroy the regional airlines.

HUTCHISON: You're going to see them migrate over to the major carriers.

GIBBS: Of course. I mean that's their natural progression already.

HUTCHISON: Right, right.

GIBBS: We also have another structural change which is regional airlines are moving from smaller aircraft that are propeller driven and short haul markets which we're a component of to much larger jet aircraft and serving longer hauls. Then we also have another headwind which is that in Nevada in particular our aviation program significantly is underfunded to our competitors and puts us at a significant risk as I discussed previously.

HUTCHISON: Right.

GIBBS: We'll go to the fourth slide. We've already seen that regional carriers are being pinched by this pilot shortage, and that we're seeing lost revenue opportunities because regional carriers can't find qualified pilots to meet their demand needs. Which is affecting our ability to even attract any airline into let's say Elko.

Mike Coster talked about the 121 carriers. Well that's not a problem. That's not just a 139 issue. That's an economic issue. We call pretty much every regional carrier in the United States and ask for their interest in serving the Elko market.

There's three major themes. They're saying either we're in a financial position that we don't have the financial wherewithal to move into your market. The next biggest excuse is we don't have the pilots to serve that particular market. And then lastly they've moved away from going into a market at risk to truly going to what Mr. Jones talked about, that they're really looking at the bottom dollar and they're looking at communities to share in that risk in bringing in new service.

Any community like ours or any small community for that matter, and even Reno-Tahoe and medium and small airports are having to put in minimum revenue guarantees to even bring in new carriers. Without a minimum revenue guarantee program, Elko is not going to attract another air carrier for the foreseeable future.

HUTCHISON: And has this all been presented to local governments? I'm just curious in terms of local government's response to this, you know, with the Elko County Commission.

GIBBS: The Elko County Commission doesn't fund the airport and has never historically funded...

HUTCHISON: Is there any revenue sources out of the county governments at all for this?

MELVILLE: If I might add, Chris Melville for West Wendover, in conjunction with Elko at our local level, we actually as a city had proposed funding several times to support the SCASD because we applied twice for the SCASD grant.

MORA: Which is a small community grant program.

MELVILLE: So even West Wendover has...

HUTCHISON: Tried that.

MELVILLE: Yeah, put up hundreds of thousands of dollars in potential monies if it will help support getting the flight, the scheduled service going.

HUTCHISON: Okay.

MELVILLE: So it is there.

HUTCHISON: I was just curious about that. I just don't know the answer to the question. Is local government a source of revenue through their revenue stream means for

what we're talking about here or is it just all truly state? It would have to be the state that would give the money.

GIBBS: Well actually if you were looking at the Wyoming program, this is Mark Gibbs again, we're looking at an 80/20. Of course, we're not asking the state to put all of their risk in these new air service. Obviously you're going to look to the local communities to put some skin in the game.

HUTCHISON: Sure, skin in, right.

GIBBS: We're looking at a 20/80 split just like Wyoming is. When the state puts up minimum revenue guarantees the local communities, as a coalition will put a 20 percent match on those dollars.

HUTCHISON: Okay.

CALDER: This is Curtis Calder just to speak to the say Elko County Commission for example with regard to their potential funding. I think their heart is in it in terms of they would like to support it as well. But, as I think many at this table know a lot of these rural counties have really been squeezed over the last 10 years by the state pushing a lot of these former state provided services down to the counties. I think cities are actually better positioned financially than rural counties especially. I wouldn't expect there to be a lot of support from Elko County just because they won't have the ability to support it. The City of Elko will put skin in the game.

HUTCHISON: That's helpful. Thank you, Curtis.

GIBBS: There's a really great slide here provided by the Regional Airline Association that's looking at general trends from their 2014 Regional Airline Association Annual Report.

HUTCHISON: That's in our packet here with...

GIBBS: Yeah, it's in your packet. One of the biggest highlights is that the number of departures completed. You can see that the regional airline industry peaked in 1995 and has been decreasing, shrinking, and that's that two-fold reason, the bigger aircraft and the fewer regional air carriers, less competition, and the fact that these pilot pressures are causing airlines to limit growth because they just can't find the folks to fly the airplanes.

HUTCHISON: Yeah.

GIBBS: The next slide over shows you in Nevada that trend is down across all of our airports, Elko, and we looked at Las Vegas and Reno. When we look at Nevada and civil aviation one thing that we haven't talked about yet is how important aviation has been to the State of Nevada.

HUTCHISON: From the economic development standpoint...

GIBBS: We're looking at percentage of GDP. Only Hawaii out of all 50 states has a bigger percentage impact by civil aviation and Nevada is number two.

HUTCHISON: Yeah.

GIBBS: Let's just talk about the dollars. We're talking about 14.7 percent of the state's jobs. That's 224,207 jobs, and this is coming right out of the...

HUTCHISON: The FAA?

GIBBS: FAA'S economic impact study. We're looking at an economic output of over 27 million dollars. This is a major industry and it's really important to Nevada. When our city manager, Curtis Calder, related that we sometimes feel a little left out in terms of all the other industries, and I know we're competing against a lot of different, you know, interests.

HUTCHISON: Competing interests for limited resources.

GIBBS: Exactly. But in terms of importance in some of the other industries that are maybe not so big an impact to the state, we certainly think that there is room for growth in terms of developing funds. The next slide is right out of your 2006 NDOT report, and that one just shows you how we benchmark our dollars versus our competitive western states.

HUTCHISON: State funding.

GIBBS: Yeah, so you can see that we're, you know, way behind the curve, and this is in 2006 and those numbers have only increased, and that still holds true today even though that's a dated report.

HUTCHISON: This is all coming from NDOT, right, this is the source for NDOT? And then what's the source for the other states?

GIBBS: This is the NDOT study. They benchmarked the states.

HUTCHISON: This is all NDOT sourced?

GIBBS: All NDOT sourced. This is right out of the study right here that NDOT completed in 2006.

HUTCHISON: Got it. Okay. Thank you.

GIBBS: In closing and I don't want to make it too long is that without the state assisting rural airports and even our larger hub airports like Reno and Las Vegas we're really put at an economic disadvantage to states like Utah, California, Idaho, Montana, Wyoming, Oregon, Washington, all of those states and Arizona, sorry. Arizona is also very progressive in terms of improving aviation infrastructure.

When Marily was talking about how aviation brings in lots of money, I just want to quote out from Wyoming's State Economic Impact Study on their air service enhancement program. "For each passenger than enplanes in Wyoming, it brings in \$220 in annual economic impact and for every person using a commercial service airport brings \$2,000 into the state over the extent of their stay."

It's more money than driving and bringing in folks by aviation is a great economic boom for the state and in multiplying dollars within and trickling that down through the economy. Thank you for your time.

HUTCHISON: Mark, thank you very much. I know this is not an easy project to put together. You spent a lot of time doing this and it's been in just the brief time I've had a chance to listen to it very educational for me and I'm sure others, but I just want you to know how much I appreciate this and the effort you've made. Great graphics.

GIBBS: Well you can actually thank Hillary Fletcher who's our consultant with Jviation. She helped me significantly on the graphics, especially in putting that together, a very good presentation.

HUTCHISON: It's very impactful. Thank you. I really appreciate that. Are there other comments? I know we have others that want to comment on this but anything particularly on the PowerPoint presentation that we just heard from Mark? Thoughts? Comments that he's shared with us? Any other thoughts on this?

HUTCHISON: Chris, please.

JONES: Chris Jones again. I think the question, you know, he outlined a lot of the significant challenges in the way that the winds are blowing and it's a significant headwind for a lot of these smaller airports, not only Nevada but throughout the country. The question comes back to I think where everything always seems to come back to, the money.

HUTCHISON: Money, right.

JONES: You know where's it going to come from? To talk about fuel tax. If we talk about something that would be paid by the larger carriers, when you see the business decisions that they're making as corporations, moving away from smaller markets because of the cost to operate, the changing in the aircraft from the smaller fleets to the big jets with the longer range service, pilot shortage. Even if we had an inordinate amount of money to throw toward them I don't know that that's enough to block those trends because those are larger national and international trends. So the question comes back into if there would be money to put forward to this where would that money come from and that's certainly something the Legislature would have to look at.

HUTCHISON: Yeah. I'm sure we're going to hear from this or hear from you and on this topic at the Legislature, right? This is a major policy issue that needs to be presented.

HUTCHISON: What do you think, Ryan?

CHERRY: Ryan Cherry for the record. Are you guys presenting the same exact bill that Pete brought forth last Legislative session?

GIBBS: No, we're tweaking it a little bit. It will be a revised bill. We want to strengthen the inclusion of Wendover and Laughlin which are unique where the airport is really just straddling across the state line. A few other changes as well as we're looking for not just a one-time appropriation but a longer term program, and we certainly want to have discussions with revenue sources. And I am absolutely cognizant of Mr. Jones' concerns and the airlines' concerns about excise taxes but I'd also like to note that we have some of the lowest taxes and fewest taxes to the aviation market in the entire west.

HUTCHISON: Yeah.

GIBBS: So you know.

HUTCHISON: I haven't gone through the entire PowerPoint yet, Mark, but do you know what funding sources, the primary spending sources, for like Wyoming, for example, or these other Western states?

GIBBS: I don't in the PowerPoint presentation. I'm happy to provide it.

HUTCHISON: You can shoot me an email.

GIBBS: Yeah, I have that data in another PowerPoint presentation but I want to limit it to a small amount of time.

HUTCHISON: That's fine, that would be helpful. Thank you.

GIBBS: Of course.

HUTCHISON: Okay.

COSTER: If I could interrupt, Mark, I'd like to...

HUTCHISON: Yeah, sure, Mike.

COSTER: Because I think that is an area that's kind of unexplored. The economic model of Nevada has obviously changed in the last 30 years. We have an old aviation model. Wyoming, other than the fuel industry, their source of revenue will have to change dramatically. It's a [inaudible] in Nevada. I'd like to know what's working in those other states. I'm pretty familiar with what worked or how it's done in the state I came from, Virginia, which is heavy tool tax and a really large Department of Aviation staff is pretty huge for the size of the state.

HUTCHISON: Yeah.

COSTER: But I'm interested in what some of these more rural states are doing.

HUTCHISON: What the funding sources are for those?

COSTER: [inaudible]

HUTCHISON: Yeah. So maybe we can get that around.

GIBBS: I certainly can. Whoever – are you chairing this meeting? Was it you, Larry?

FRIEDMAN: [inaudible]

GIBBS: If I could get the sign-in sheet I will email everybody.

FRIEDMAN: Okay, that's right over there.

COSTER: Mark Gibbs makes a really good point that minus Clark and generally Reno, we're very similar in terms of what drives those airports in Wyoming and we need to know how they fund them. Because what's changed so dramatically is that Las Vegas used to be a pretty small airport in the State of Nevada a long time ago, right?

HUTCHISON: Yeah.

COSTER: It's become obviously a tourist driven, huge tourist driven center for the nation. But, we're still working under another kind of model. We need to see...

HUTCHISON: Yeah, see what that was. That would be very helpful for all of us, yeah.

JONES: Excuse me, I looked up Wyoming's largest airport. Their annual numbers from a few years ago were equivalent to a couple of days of service to McCarran.

HUTCHISON: Okay.

GIBBS: Yeah, it's true. Like I said, we've got to take Clark County out of the equation, not just McCarran, the entire system of airports, and then we start to look a little bit more like Wyoming.

Potential Partnerships

HUTCHISON: Okay. Very helpful. All right, anything else on risk mitigation before we move on to Agenda Item No. 7? Let's do that. Move on to Agenda Item No. 7, Potential Partnerships. This was just left open for discussion. I think we've had this ongoing discussion and collaborative efforts and potential partnerships or opportunities to work together.

We really talked about that at the beginning of the meeting. Is there anything else to talk about or any other points you'd like to make about potential partnerships or collaborative efforts that we can do here?

NEWMAN: Don Newman for the record. I would just say what a great opportunity today was to get this group together at the table and start the partnership and the process. We've been talking about it for a long time. Larry's been behind it and

Lieutenant Governor Krolicki was behind it. I mean this has been ongoing for a long-long time and this is great. Today's a very good day.

HUTCHISON: Marily, please.

MORA: Hopefully there will be more connectivity if Southwest Airlines down the road gets interline agreements that's certainly going to improve our ability to connect to your international traveler. I'm looking forward to that, but I also want to echo thank you very much for convening this group. I think it's a really good sharing of information.

HUTCHISON: Thank you. Chris, close us out on this?

JONES: I'll just echo what Marily said. I think that it's been a very productive dialog and I think we've got a lot of challenges within the state and a lot of different perspective on things, but I think it was good to hear everybody's position. I appreciate you taking the time.

Possible Creation of Statewide Air Service Task Force

HUTCHISON: No, thank you. It's been very educational and very helpful for me. Which moves us on to our next agenda item which is Agenda Item 8 which is the possible creation of a state-wide air service task force for possible action if we wanted to do that. I just want to have a candid discussion and whether we want to do this again or whether we should form this task force.

Like I said, I'm not looking for something to do on a Friday night. You're not looking for something to do on a Friday night. If this is meaningful, if it's impactful, if it's value driving, if it's something that benefits you and the state, then we ought to do it. If not, then we ought to acknowledge that and say this has been wonderful and, you know, we can go out and simulate the local economy, right? I mean we can enjoy ourselves today in Las Vegas, but what are your thoughts? Just let me know what you're thinking. Jennifer.

CUNNINGHAM: Jennifer Cunningham, Reno Convention and Visitors Authority. Chris, as you're stating, yes we do have challenges, but I think we have a tremendous opportunity to move forward with some programs and working together whether it's legislatively and getting state backing for funding or whatever form that looks like.

Certainly the international provides us with a tremendous opportunity in how we work with Southwest Airlines to assist them with interline agreements. I'm

not sure. But we would definitely benefit from it. I fully support moving forward in a collaborative effort.

HUTCHISON: Okay. Other comments, other thoughts about this? I would say this. The Governor's office view on this is we have task forces; it's not like a government program normally. It doesn't go on into eternity. There's a specific reason for it. We meet, we accomplish that purpose and then you disband and you move on and you do something else. So keep that in mind. I really should have prefaced my remarks with that in terms of, if we are going to be a task force what would be a beneficial purpose? A beneficial end goal would be that you could have a series of meetings and collaborative efforts to get in and accomplish two or three things and then we're done and we do something else with our Friday nights.

JONES: Chris Jones. I guess you just hit the nail on the head to me. I think the question is what would it do?

HUTCHISON: Right, that's exactly right.

JONES: I think a lot of, you know, going back to when I sat in the chair that Mr. Velotta had over there when I was a reporter for the Review Journal, I remember when NCOT really stepped up with some of their – they did the reality TV programs, they have the great "Don't Fence Me In" campaign going on right now. I think a lot of what we're talking about would probably fall within the auspices of what their mission already is as it exists today, at least from my perspective. Maybe Larry and others disagree.

I would like to see a little bit more clear definition of what the goals of the group would be before we can say whether we would be on board or whether we might be better to step aside.

HUTCHISON: I think that's a fair comment, a fair request. Curtis.

CALDER: Curtis Calder, City of Elko. I again I think it's a business development, an economic development issue. I think if the State of Nevada is going to be incentivizing other businesses and other industries because we want to be pro-business, pro-economic development, how can we even ignore this issue quite frankly with the numbers, looking at our peers in adjoining states. We're doing a poor job with the whole aviation industry.

HUTCHISON: What Mark presented here.

CALDER: Yeah, exactly. And so, again I think economic development needs to have a seat at the table. I think if we talk about where is the money going to come from? I think it needs to come from the economic development side of the budget, wherever that money is coming from.

A lot of the state's economic development incentives over the years have had mixed results at best, and I think this one has some low hanging fruit, at least in the northern part of the state. I think there's a lot of room there to benefit a lot of people and industries.

Just speaking for Elko, I can guarantee Newmont and Barrick have a stake in the conversation and they'll put their money where their mouth is too if there's actually going to be air service into Reno because they need to get to Reno and four hours over and back is time.

HUTCHISON: That's tough.

CALDER: And time is money. People in Elko do it every day. There's a lot of people on I80 and wearing out the roads ...

HUTCHISON: Putting a lot of miles on vehicles, yeah.

CALDER: I think you'd see industry step up and share the cost. It's not going to just be a state thing. You're going to see local governments – Wendover said they'd put some money in. Elko says they're going to put money in.

I think what we're really looking for when our legislation gets to whatever it does is just support statewide. We don't want to exclude anybody. We just want to make sure everybody knows what's going on in our neck of the woods. Again I just think it's going to have a positive impact for the state statewide.

HUTCHISON: Thank you. Mark, please.

GIBBS: Mark Gibbs, Elko Regional Airport, but I also would like to state that while we've had some different views between rural and urban I just want to say that we want 100 percent, all of the airports, so whatever is good for McCarran and Reno it's good for the state and we support. And we also think that whatever state program, aviation programs, that may come out of this, I think should involve all of the airports including our major hub airports.

I've seen some of our legislation where we carve out protections for the smaller airports and leave the McCarran and Reno out of the equation. While yes, they

can stand on their feet I think it would be poor if we ignored them and carved them out as exceptions. I think they should be included in the mix and that the state should support all of the airport systems, not just the small ones.

HUTCHISON: Thank you. Great comments. Other final thoughts about the creation of the task force?

COSTER: Mine was the partnership idea. I see everything in conjunction with NCOT. I think we need to look at the situation through the eyes of 35-year olds with all due respect to the people who are in that age range. That is the market we're going to be developing. I think the state is doing pretty good with retirement markets and school groups and stuff like that.

Everything you can do, every transaction you should be able to do with the State of Nevada you should be able to do online. I firmly believe that. I know that people who are younger than I am don't know what the Yellow Pages is. They Google everything. They look for everything online.

Eight years ago I was looking into Nevada trying to search to find out what Ely was all about. I think that you need to be able to buy packages. If you go to a commercial airline – I just came back from Minneapolis yesterday on a cheap airline. Boy they force fed me everything. You want a car? You want to rent a bike? You want to buy a seat? You want to buy a drink?

Anything, you know, three days in advance for a business trip. They're putting everything in front of you including a choice hotel, rent, however you want, and I think that we need to offer tourism packages that same way. When you go to a state site if you're looking at Elko here is the Elko convention bureau, you know. It would have all the room information or all the special event information during the next month.

I think that's dying to happen. I know that if you go to Alaska you can do everything online. Or if you go to a state office it's a multi-purpose office. It isn't the DMV office. It's state employee with kiosks and software that walks that potentially unfamiliar state employee through everything.

You can do your AFDC application there or your automobile title or your hunting license with that same employee. in terms of employee efficiency, particularly in the really rural areas, and that's the future. if we can bundle that with the idea of having websites that offer you – I know you got an issue about commercial development through a taxpayer site, but if you make that link there, you've got the graphic.

- HUTCHISON: Yeah, I just said to Larry, and Larry is writing this down, I think it's a great idea, through NCOT, through the vision of tourism.
- COSTER: I'll just close and say what I hope to do locally here and work with people who know a lot more about these very substantive areas than I do, is to let someone who clicks to find the railroads, clicks to find the park also be able to book the room, find out what restaurants are available. Even click two or three advance ticket purchasing together in an intelligent fashion so that if you say well we want to go on the train in the morning here are the three things you can sign up to do in the afternoon. You go to the golf course or you can, you know, if it ever happened, a shuttle out to the airport because otherwise it's a walk. Did I mention we don't have rental cars?
- HUTCHISON: You can rent a U-Haul.
- COSTER: You want to make it easy to get here. You want people to be able to say oh I found the railroad and look what else is there. Why don't you get it graphically on the screen force fed if that doesn't sound too crude.
- HUTCHISON: Great. No, I love it, that thing is wonderful. Jeremy and then Ed please.
- HANDEL: With regard to the task force I would have to add to Chris' comments that there really has to be a purpose.
- HUTCHISON: That's right. Specific goal, limited time.
- HANDEL: Exactly. Of course being with the LVCVA I'd be remiss if I didn't bring up the fact that whatever the goal or end result might be that we have to be careful not to put it on the backs of our tourists again. There's enough projects already going around particularly southern Nevada ...
- HUTCHISON: We've got a few things going. Great point though. You're right. You got to keep the big picture in mind. Right, 30 percent of the jobs in southern Nevada are dependent upon whether or not somebody is going to make a decision to come to Las Vegas, stay in our hotels, fly our planes, eat in our restaurants. Please Ed.
- SPEAR: I actually do support the idea of the task force and primarily from the marketing side. I think that Item No. 4 on here is promoting domestic and international flights. That's crucial to every single person at this table.

I think I would like to see number one some of this litigation mitigated so we don't have so many regs. I'm not a Federal fan at all. But I think we also need to make sure we're a continued market because Las Vegas does well, Ely does well, Elko does well, and I think marketing is a key and we've seen that with well Jet Blue. We went there to support the state in Reno and I came back thinking holy smoley because people actually don't have any idea of the market. Las Vegas has got their hands full marketing Las Vegas. I think collectively we can do an incredible job for the State of Nevada and we need to do it through the aviation fly/drive. I think promoting that No. 4 item, if nothing else, allows me to sit back at this table with a heartbeat.

HUTCHISON: Thank you. Thank you. All right, well thank you again.

CHERRY: Before you go – so Ryan Cherry for the record. I would just ask – I mean if we're going to assess something or we're going to try and...

HUTCHISON: Here's what I'll do. As I say, first off I don't think this is ripe for action yet. What I was going to suggest is that we – we got everybody's contact information, right? Is that we solicit input, actually come up with a proposal in terms of this is what the task force will look like, this is what the objectives would be, have that input if there's any other input on that and here's how long it will last.

It probably, you know, wouldn't last for very long. It would last maybe a year or something. Maybe you've got a series of meetings over the course of the year and then it's over. But actually put it out there and then gauge your interest in that and see what you feel about it. If you're on board, great. If not, tell us that as well. Let's make sure that it's something that is worthwhile, concrete and can be value added to the state and to what all we're trying to accomplish here.

CHERRY: I would just add that we assess a timeline to it in getting those proposal remarks back. If we give you guys two weeks or so to get the information to everybody, I'll send out an email to everyone and you can get your input in there.

Then we'll be able to circle back in two weeks, give you guys a chance to review what everybody has put in and then we can get your guys vote on that from that perspective. I think that is a good place for us to start.

Closing Remarks

HUTCHISON: Yeah, it's a good plan. All right. Wonderful. We move off Agenda Item 8 and onto Agenda Item 9, Closing remarks. Again thank you all very much. You picked a period of time and you'd come spend time with us. I can tell you, every

one of you and your input has been absolutely valuable to me and invaluable to the process. I know we've been talking about this a long time, Don. We finally got it on and made it happen and I can't thank you enough for being here.

Public Comment

HUTCHISON: So Godspeed you all and enjoy your day. We'll move on to public comment which is Agenda Item No. 10. Any members of the public here in Las Vegas who would like to make public comment at the conclusion of this meeting? I'm seeing none. We'll move on to Agenda Item No. 11, Adjournment. For possible action do we have a motion to adjourn?

FRIEDMAN: Can I...

HUTCHISON: Before that important motion?

FRIEDMAN: Just two things please. Make sure that everybody puts their names and contact information on the sign-up sheet. I would like to thank the Nevada State Museum for hosting us.

HUTCHISON: Thank you, yes.

FRIEDMAN: And it came to my realization as people entered that maybe three people in this room have ever been in this building and one of them never made it past the reception area. Please, please take advantage of being here and you've been invited by the museum. It's closed today but it's open to us so if you have a moment please enjoy it and thank you.

HUTCHISON: So is that...

HANDEL: All the Follies exhibit is from the Las Vegas News Bureau from the LVCVA.

Adjournment

HUTCHISON: And Jeremy, was that a motion to adjourn?

HANDEL: Yes, sir.

HUTCHISON: Do I have a second?

NEWMAN: Yes, sir.

HUTCHISON: Any comments on the discussion? I'm hearing none. We are adjourned. Motion carries. Thank you very much for all being here.

The meeting adjourned at 12:02 p.m.

Respectfully submitted,
Dee Chekowitz-Dykes, Executive Assistant
Department of Tourism and Cultural Affairs
Nevada Commission on Tourism

DRAFT