

**Written Testimony of Trent Moyers
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Chelan Douglas Regional Port Authority
Senate Committee on Commerce, Science and Transportation
“Enhancing Consumer Protection and Connectivity in Air Transportation”
March 23, 2023**

Thank you, Chair Cantwell, Ranking Member Cruz, and members of the committee for the opportunity to testify today. My name is Trent Moyers, and for the past 10 years I have served as the Director of the Pangborn Memorial Airport, located in Wenatchee, Washington. My aim today is to discuss air service challenges in my own community and highlight common themes of broader, national concern that are impacting communities throughout the county. While I do not speak for the hundreds of airports and communities who are facing air service challenges across the nation, I believe our experience in Central Washington’s Wenatchee Valley is an example of the impacts felt by small airports nationwide.

Commercial Air Service Challenges in Wenatchee

Our airport is named after the pilot Clyde Pangborn, who along with his co-pilot Hugh Herndon were the first people to fly non-stop across the Pacific Ocean from Misawa, Japan to East Wenatchee, WA in 1931. That historic event in a single-engine airplane took 41 hours to accomplish.

Fourteen years later, Northwest Airlines became the first carrier to provide air service to Wenatchee. Fast forward to 2019, and we had a record year for enplanements, with 64,609 passengers passing through our airport. As the reality of the pandemic took hold, in 2020 that number dropped to 27,008. While passenger numbers rose to 48,338 in 2021, last year, enplanements fell again to 34,700.

Air service has not rebounded at Pangborn primarily because we have seen the four daily flights to Seattle prior to the pandemic now reduced to one. That means the number of daily seats for passengers in our market has been reduced from 304 down to only 76 per day. Clearly, the post-pandemic recovery of air service continues to be challenging in Wenatchee, but we know we're not alone. Today, 76% of U.S. airports have less air service than before the pandemic. Fourteen U.S. airports have lost all commercial air service, and 53 airports, like ours, have lost over half of their flights.

The Wenatchee Valley is known as "the apple capital of the world" and is home to a population of approximately 120,000. In addition to a robust agricultural economy, a relatively new type of farm has cropped up thanks to our affordable, clean, and renewable hydro-electric energy: server farms. This hi-tech industry has invested heavily in our

area. Companies such as Microsoft, Intuit, Dell, and Sabey all have a presence in the region. Tree fruit farms and server farms are both linked to the global economy. As such, these industries have a need to connect with their consumers and suppliers far beyond the Wenatchee Valley.

Last week, during this Committee's hearing regarding aviation workforce issues, Chair Cantwell mentioned that around 80 percent of all economic development occurs within 10 miles of an airport. This statement is verifiably true in Wenatchee where less than one mile from Pangborn Memorial airport, Microsoft has completed construction on the first of three 240,000 square foot data centers that has created 50 full-time jobs. At buildout, the total estimated investment at this location will be \$3 billion. Microsoft has applied for building permits to construct three more similarly sized data centers approximately three miles from the airport in nearby Malaga; investing another \$3 billion in the process and creating additional jobs.

Another example of hi-tech industry finding its way to our region occurred in 2018 when Diamond Foundry, a company headquartered in San Francisco, established a diamond growing facility in Wenatchee. One year later, Diamond Foundry began producing diamonds using

Wenatchee's hydroelectric power sources. The technology used in their laboratory setting replicates nature's own process to produce "gem-quality" diamonds for retail as well as diamond-based semiconductors. Along with their need for affordable, clean energy to maintain a zero-carbon footprint, Diamond Foundry also cited air transportation accessibility as a key reason that contributed to their selection of the Wenatchee site.

Airports of all sizes bolster their local economies by connecting passengers and cargo with where they need to go, but it's important to note that having commercial air service also directly provides workforce opportunities for their communities, from airline and TSA staff, to aircraft servicing, administration, operations and maintenance, and public safety.

A well-used colloquialism in the aviation industry is "if you've seen one airport, you've seen one airport." It's important to recognize the unique qualities of all airports and the communities they serve. However, there is a common theme wherever the struggle to regain or retain air service continues, regardless of location: air service is a critical component of the local economy.

There are 245 nonhub airports in the U.S. and its territories – airports that have at least 10,000 passengers annually, but less than 0.5% of the national total. The following are just a few examples of communities with a nonhub airport that have been impacted by reductions in air service:

In Illinois – Champaign/Urbana has just 60 percent of the number of seats that it had before the pandemic. More than 75 percent of all passengers in the area drive to Chicago to access flights.

In Kansas – Topeka is currently without air service. It seems unlikely the state capital will regain service without a large enough financial incentive for an air carrier to restore service. For now, most consumers who visit via air fly in and out of its closest neighbor 70 miles away, Kansas City, Missouri.

In Nevada – Elko (an airport I used to manage) is geographically challenged when it comes to air service even though there are major airports in every direction: the closest option is a three-hour drive east to Salt Lake City, UT. The other airports are Reno, NV (more than four hours west), Boise, ID (four hours north), and Las Vegas, NV (seven hours south). Currently, Elko has one flight per day to Salt Lake City.

In the Wenatchee Valley, 850 people drive every day to an airport other than Pangborn because connectivity from Wenatchee is limited. A single flight per day to Seattle means only 76 people can directly access air transportation from Wenatchee without spending at least 3 hours driving. Compounding this issue even further is the fact that there is no direct interstate access to Wenatchee. The closest interstate, I-90, is 40 miles away via a two-lane highway. Wenatchee is one of only eight Metropolitan Areas nationwide with no direct access to an interstate or four-lane highway.

This issue of connectivity is further exacerbated for those driving to Seattle as the drive requires crossing mountain passes. On any given day, highway closures due to avalanche control, wildland fires, or motor vehicle accidents are possible. Thus, there are times when air service is the only option in or out of Wenatchee for people headed to Seattle and beyond.

Current Airline Incentives Don't Meet the Need

Federal support for rural airport service from programs like Essential Air Service (EAS) and the Small Community Air Service Development Program (SCASDP) is vital. But Wenatchee's story shows why today the

current level of investment doesn't come close to addressing the challenge. At Pangborn, we were awarded a SCASDP grant in 2018, for \$700,000, to attract new air service. To successfully compete for that grant, we raised \$401,000 from the local community. Even with this level of support, we have yet to attract a carrier to provide new service.

The Department of Transportation just last week released its notice of funding for this year's SCASD program. \$15 million is available for a maximum of 40 awards, which pencils out to an average award amount of only \$375,000. Based on my experience, I believe with this level of investment it will be difficult for many communities to successfully secure new service from airlines. If we are to do more to restore air service to small and rural communities, we need to look at what changes to these programs need to be made to make them more effective.

The President of the Air Line Pilot Association, Jason Ambrosi, testified before this Committee last week that, **“We believe air service to small and rural communities is a national responsibility and that safe, efficient, and reliable air service to these communities is a critical component of our national air transportation system.”**

I concur with Mr. Ambrosi that Congress should take action to restore or revitalize air service in small and rural communities. Possible actions could include allowing greater flexibility in existing EAS and SCASD programs. If adequate incentives that are attractive to airlines and supportive of the communities they serve are available, the likelihood of successful airline recruitment improves. An airline that flies a route that does not foster resiliency is unlikely to operate beyond the life of the grant funds.

Suggestions offered by Mr. Ambrosi to amend EAS included “changing the subsidy and enplanement cap, allowing air carriers to renegotiate EAS contracts to account for unforeseen operating costs, revising the DOT’s calculation for driving distance, allowing communities that lost EAS service to regain or reestablish eligibility, and revise the DOT’s process for carrier selection.” I believe that similarly providing greater flexibility for SCASDP, expanding on actions taken in the 2018 bill, could similarly provide benefits for non-EAS airports, along with ensuring the level of grant funding is sufficient to incentivize air carriers to add service for the long term. Addressing workforce challenges throughout the aviation industry must also be a priority.

Funding that our community puts towards recruiting air service is funding that can't go towards airport infrastructure. For someone who manages a small airport, the correlation between air service development and retention programs and airport improvement programs is evident. Both are impactful components of FAA reauthorization for airports of our size. Without the support of FAA funding, the ability for small airports to complete capital improvement projects is daunting, if not impossible.

Fortunately, the Airport and Airway Revenue Act of 1970 figuratively and literally paves the way for airports to ensure they continue to remain viable. Commercial service airports of all sizes, ranging from Wenatchee to Atlanta, work diligently to comply with FAA standards while meeting the growing needs of their communities.

The challenge of an airport with limited air service and a limited budget means that sometimes choosing between infrastructure projects and air service incentives is a reality. At Pangborn, we face particular funding challenges because so much of our surrounding area is owned by the Federal government (in our case, as National Forest land). 79% of Chelan County is Federal land, which deprives us of the ability to collect tax revenue on these lands which could be put towards airport

improvements. Congress has previously recognized this challenge and in 2003 increased the federal share for Airport Improvement Program (AIP) projects from 90 to 95 percent for small airports in states with a high share of federal lands. That provision expired in 2011. Restoring the federal share to 95 percent would provide significant help to Wenatchee and communities like ours that are deprived of tax revenues due to high levels of federal land holdings.

Closing Remarks

Ninety-two years ago, our airport's namesake Clyde Pangborn bravely and literally took off into the unknown and accomplished what had never been done before. The issues we face together to safeguard the future of accessible air transportation are challenging in their own right, and I want to thank the Chair and the Members of the Committee for their thoughtful leadership on these critical issues.

Thank you for the opportunity to testify today. I look forward to answering any questions you may have, and to working with the Committee to find ways to ensure air service is readily accessible to communities nationwide.