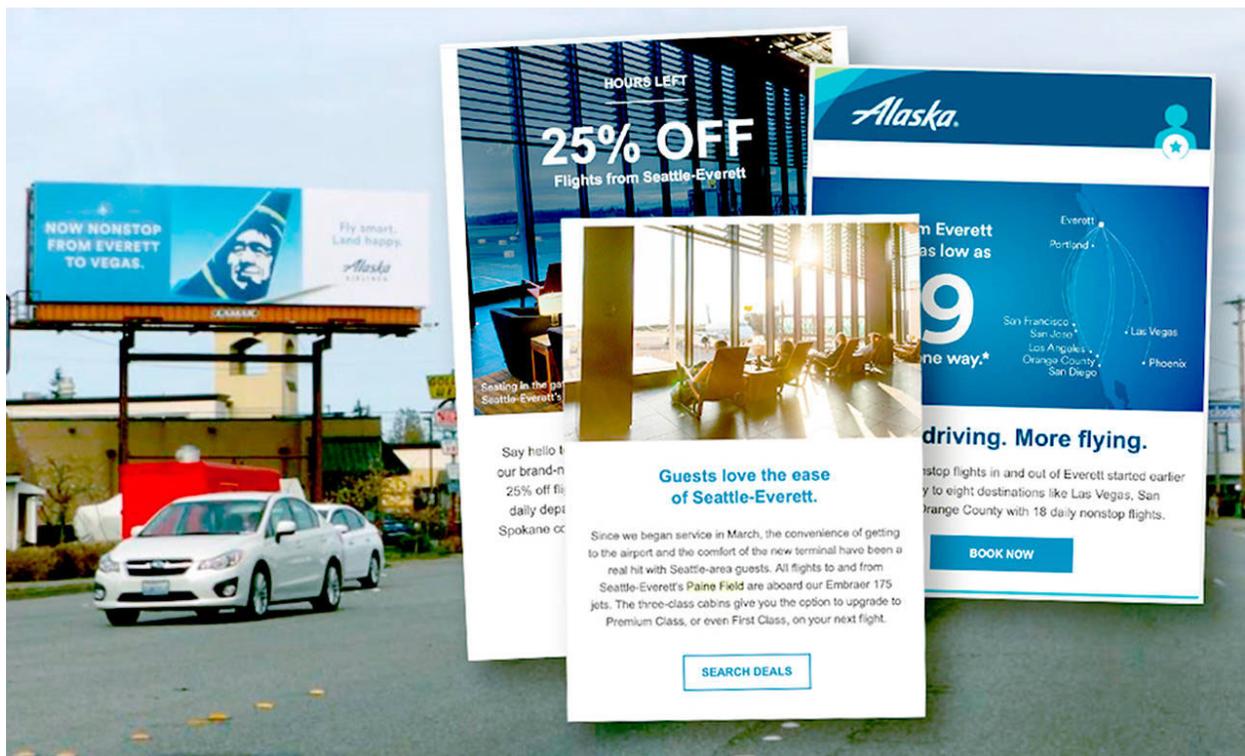


# The Herald BUSINESS JOURNAL

With help from business, Everett passenger service takes off



An Alaska Airlines billboard promoting service from Everett, and a collection of social-media advertising the airline has employed (Images courtesy Alaska Airlines; collage by The Herald)

Count Funko among the fans of Paine Field flying. Meanwhile, where next? Chicago or Dallas, anyone?

by Janice Podsada - Friday, November 8, 2019

EVERETT — Funko’s corporate headquarters are in downtown Everett, but the pop culture toy maker operates satellite offices in Southern California.

Until recently, traveling to and from those locations involved a sometimes-unpredictable jog to and through Seattle-Tacoma International Airport.

Traffic, long lines at security checkpoints, missed connections.

The start of commercial air service from Everett has been a game-changer, Funko spokeswoman Jessica Piha-Grafstein said.

“Funko employees consistently fly out of Paine Field,” Piha-Grafstein said.

Employees, she said, are “thrilled with the ease of Alaska Airlines service through Paine Field to Funko offices in Burbank and San Diego.”

That’s the kind of corporate sentiment they airlines want to hear.

Seattle-based Alaska offers 18 daily departures from the Paine Field passenger terminal, which opened in March and is operated by privately held Propeller Airports.

Alaska shares the terminal with United Airlines, which serves hubs in San Francisco and Denver with six daily departures. United’s service between Paine Field and its hubs in San Francisco and Denver started in April, a month later than Alaska Airlines.

“Because Paine Field is a brand new option for customers, we recognized and expected a growing-in period and despite this, our current customer demand is in line with these expectations,” said Jonathan Guerin, a United Airlines spokesman.

“In fact, demand continues to be especially strong for United’s service to Denver, and we’ve shifted a frequency (from San Francisco) to ensure our customers traveling between Paine Field and Denver have many options to fly United Airlines,” Guerin said.

The change, which goes into effect Jan. 6, will offer customers three daily flights to Denver and three daily flights to San Francisco, Guerin said.

Seven months out of the gate, Alaska’s top executives have deemed its operations at the new terminal a success, too. So successful, in fact, that last month Alaska Airlines CEO Brad Tilden speculated about expanding the terminal from two gates to five or six. He made his remarks at a Puget Sound Business Journal event focusing on the region’s infrastructure needs.

Both Propeller and the Snohomish County-owned airport say there aren’t plans to increase air service capacity, which is capped by the federal government at 24 daily departures and 24 arrivals.

For now, the objective is to “make sure our existing flights are successful and maturing the service we have,” Brett Catlin, Alaska Airlines managing director of alliances and capacity, said in an interview.

Catlin is in charge of scheduling, network strategy and planning, and airline partnerships. He spoke to The Herald about Alaska's flight operations at the new, two-gate terminal and what's ahead.

"It's still early days in the development of Paine Field and our service, but we're pleased with the performance ... in a market where we launched 18 flights almost overnight," Catlin said.

All of Alaska's current Paine Field flights serve western destinations: Las Vegas, Los Angeles, Orange County, Phoenix, Portland, San Diego, San Francisco, San Jose and, beginning this week, Spokane and Palm Springs. To accommodate the two new destinations, Alaska reduced the number of flights to Portland and Los Angeles.

Tweaking the schedule is normal, and more fine-tuning is to be expected.

The Spokane route is one that Alaska is keen to monitor. "If it performs to our expectations, perhaps there's an opportunity for us down the road to explore other Pacific Northwest markets," Catlin said.

Who's on board?

Alaska doesn't disclose detailed figures for passenger volume, such as load factor, the industry measure of how full airplanes are. But the carrier said passenger volume through Everett is on par with, or better than, that of other newly served markets at this stage.

Paine Field is attracting "quite a lot of folks from Snohomish County — but also (the) northern King County and Kirkland areas," Catlin said, citing anecdotal sources.

Locally, Alaska is touting the new operations at Paine Field with radio ads, billboards and digital and social media posts.

"We think we're making progress within the Puget Sound region," Catlin said of the airline's effort to get the word out.

But appealing to the hometown crowd is only half of what's required.

"To have successful flights over the long run, you need to have awareness at both ends," Catlin said. "For example, we need folks in the Los Angeles basin to be aware that there are flights to Paine Field, twice a day."

In California, Alaska has launched digital and social campaigns to alert potential customers about service to and from Everett, Alaska spokesman Ray Lane said.

Meanwhile, vacation spots, including Phoenix, San Diego and Las Vegas, are proving to be some of the most popular destinations for locals.

Flights to so-called business destinations, such as Los Angeles, San Francisco and Portland, aren't as full as vacation routes, "but again, for a new market, we have started very, very strongly," Catlin said.

Capturing the hearts and minds of business travelers is a priority. Bumping up those numbers in the future could include two new destinations beyond Alaska's

"Some things we are considering in the near term or medium term are direct flights to Dallas and Chicago," Catlin said.

Those cities are key players in the aerospace industry. Non-stop flights would link to Paine Field to Boeing's Chicago headquarters and Boeing Global Services, a growing division headquartered in Dallas.

Direct flights are within reach of the twin-jet Embraer 175, the airplane that Alaska and United fly to and from the Paine Field terminal. That eliminates the need for larger aircraft — for now.

Everett to Chicago by air is about 1,800 miles. To Dallas, it's 1,700 miles.

As for plans to fly bigger airplanes, like the 737s or A320s in Alaska's fleet, "we want to make sure our existing flights are successful before we start to think more actively about up-gauging our equipment," Catlin said. And to do so would require federal regulatory approval.

There are some "process things we would have to go through in order to make it happen," Catlin said. "Some of those we may pursue sooner rather than later — just to make sure we've checked all the boxes. That doesn't necessarily mean we would move forward in the near future."

#### Executive time in transit

As air travel increases and airports become even more crowded, the concept of "executive time in transit" is gaining greater currency, said John Boyd Jr., head of The Boyd Company. The New Jersey firm provides corporate site selection services for companies considering new locations.

Companies want to minimize waste — time in transit, especially among so-called C-level executives (think CEO, CFO and COO), Boyd said.

Proximity to a regional airport is a major perk for both existing firms and potential businesses seeking to relocate, Boyd said.

"Being an hour and a half from Sea-Tac as well as having access to a regional airport is a great plus," Boyd said.

This month, Funko will open a retail store on Hollywood Boulevard in Los Angeles. Alaska's Everett schedule includes direct flights to Los Angeles.

The Paine Field terminal has already served more than 650,000 passengers.

“Internally and within the community, folks are really excited about the future prospects of Paine Field,” whether it’s using bigger planes or increasing service, said Catlin. “There’s a lot of possibility.”

Last month, The Daily Herald ran an unscientific reader poll asking whether there should be more gates and more passenger flights at Paine Field.

Had it been a ballot initiative, it would have been a landslide.

At last count, 1,645 of the nearly 2,200 votes favored expansion of passenger service in Everett.

“It’s astonishing that the community has reacted so warmly to the service,” Catlin said. “It’s something we’ve worked on with our local partners and many individuals over a number of years.”