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Group looks to help Alaska Airlines cut local expenses

Making the airline profitable in Walla Walla could help keep the services intact.

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WALLA WALLA - When it comes to maintaining air service in the community it may be no surprise that officials will be looking for ways to increase passenger numbers on Walla Walla's daily flights to Seattle.

But during a Port of Walla Walla meeting Thursday, they said that alone will likely not be enough to put Alaska Airlines in the black here. Port Executive Director Jim Kuntz said Port commissioners may also want to consider cutting the airline's local operating costs as a way to retain the Seattle-based carrier.

"Alaska has made it clear they are not making money in this market," Kuntz told the three Port commissioners and just under a dozen other people in attendance.

The airline has told the Port it plans to ground an inbound and outbound daily flight Tuesdays and Wednesdays this summer as a way to cut costs in one of its worst-performing markets. The flights are expected to return in the fall. However, Port and other business officials say measures must be taken so Alaska can be profitable in the long run if its air service is to continue here.

"I think some serious decisions are going to have to be made by our elected officials," Kuntz said. "We cannot get there by increasing passenger traffic alone."

The Port collects about \$160,000 a year in operating fees from Alaska. That includes about \$43,000 a year for building rental from the airline, and another \$28,8000 in landing fees. It also collects about \$85,000 in reimbursement for aircraft rescue firefighting services; and \$3,600 in fuel revenues.

Kuntz and members of the Walla Walla Valley Chamber of Commerce's Air Travel Coalition proposed as an option decreasing some of those fees to make a step toward the airline's profitability in the market.

"We're in the crosshairs to a degree," said Kip Kelly, senior vice president of Coffey Communications, a frequent flyer and member of the coalition.

Finding success is complex. On one hand, Walla Walla offers free parking and accessibility to local residents with its two daily flights to Seattle. On the other hand, local residents are notorious for driving an hour away to Pasco's airport, where there are more choices of airlines and destinations at different pricepoints.

Alaska recently announced its launch of a Pasco to Portland flight, which may serve as yet another enticement to draw Walla Walla passengers.

The community had a 10 percent increase in air travel leaving the Walla Walla Regional Airport last year with about 32,000 passengers flying to Seattle. But population growth is relatively flat at around 1 percent per year.

So increasing numbers is more a matter of changing habits, officials said.

But Walla Walla has other factors in its favor, too.

"We have a budding tourism industry," Kelly pointed out. "There's a bit of intrigue, I believe, over at Alaska."

Alaska officials have not publicly said how many more passengers or the exact amount they would need to be profitable. But Port Commission President Paul Schneidmiller, the owner of World Wide Travel Service, said the community might be able to leverage savings to ensure the return of the weekday flights. Building passenger numbers without them could be an even greater challenge.

"I think if we put together some savings it will certainly be a factor for (Alaska)," Schneidmiller said.

No formal decision was made Thursday. Schneidmiller said the next step would be to determine what, if any, operational costs could be cut. Port officials also plan to reach out to the Port of Seattle to see if cuts could be reciprocated on that end, too.

The need for creative measures was supported Thursday by other members of the Air Travel Coalition, including Walla Walla Valley Chamber of Commerce President and Chief Executive Officer David Woolson and Walla Walla Valley Wine Alliance Executive Director Duane Wollmuth.

"We face a very, very significant issue to maintain viable air service here," Woolson said. "Air service is a critical piece of transportation infrastructure and economic development infrastructure."

Duane Wollmuth, executive director of the wine alliance, cited numerous statistics from studies showing the positive impact of wine tourism on jobs and the economy overall.

Among the findings from a local travel survey in place right now so far show that on average those who work in the wine industry travel more than one-third more than other business travelers and overwhelmingly prefer to fly out of Walla Walla.

He said 97 percent want to fly from Walla Walla, but only 64 percent of their actual flights originate here.

He urged commissioners "for the sake of our local economy and our quality of life that we all enjoy, to make the financial commitment necessary to retain and hopefully expand our local air service."