

# The Value of the Corporate Traveler to SEA

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# Puget Sound Business Travel Association (PSBTA)

- The Puget Sound Business Travel Association (PSBTA) is the collective voice of business travel management in Western Washington, and a chapter of the Global Business Travel Association (GBTA). We are dedicated to enhancing the educational and professional advancement of the travel industry and our members.
- Our Membership... PSBTA members include 175 Washington business leaders who are responsible for supplying and purchasing travel related services. The annual travel expenditure of these companies exceeds \$1.8 billion dollars.

**BUSINESS TRAVEL SPENDING WITHIN THE UNITED STATES TOTALED**



**\$384  
BILLION**

This was comprised of \$244 billion in trip-related spending (60%) and \$140 billion in meetings operations expenditures.



**BUSINESS TRAVEL  
IN THE U.S.  
CONTRIBUTED**

**\$491  
BILLION**

**TO THE U.S. GDP**



**BUSINESS TRAVEL SPENDING SUPPORTED**

**7.1 MILLION  
JOBS**

**IN THE UNITED STATES**

Just short of 4 million of those were with hotels, airlines, rental car companies, and other direct providers of travel services. About 1.3 million were with travel supply chain employers and about 1.9 million more resided with firms that supplied consumer goods and services to business travel-supported workers.



LOW  
HIRING HELP WANTED

**U.S. DOMESTIC BUSINESS TRAVELERS  
SPENT AN AVERAGE OF**

**\$540  
PER TRIP**

These averages consider all trips – day and overnight and all methods of transportation: air, rail, personal auto and rental car.



**\$147-LODGING**  
**\$230-TRANSPORTATION**  
**\$100-FOOD + BEVERAGE**  
**\$28-SHOPPING**  
**\$22-ENTERTAINMENT**

**BUSINESS TRIPS THAT UTILIZED  
AIR TRAVEL AS THE PRIMARY MODE  
OF TRANSPORTATION AVERAGED**

**\$1,100  
PER TRIP**

**IN TOTAL SPENDING**



**U.S BUSINESS TRAVEL  
CONTRIBUTED  
SIGNIFICANTLY TO  
FEDERAL, STATE,  
AND LOCAL  
TAX RECEIPTS:**

**\$118  
BILLION**

Business travel-initiated federal taxes totaled \$62 billion. Meanwhile, state and local taxes attributable to business travel surpassed \$56 billion.



# Impact of Business Travel

- GBTA Research – Business Travel is vital to the economy
- Support for business travel issues = increased jobs and trade
- \$250 Billion U.S. spend
- 30 percent of all U.S. travel spend
- 8 million travel and tourism jobs
- 1 in 10 U.S. jobs supported by the Travel and Tourism industry



*Source: Global Business Travel Association*

# Role of the Corporate Travel Manager

- Negotiate corporate contracts
  - Air, Car, Hotel, Ground, Card, Agency, Risk Mgt.
- Manage travel policy
- Assure traveler's safety, comfort and efficiency
- Manage corporate travel spend, typically the largest line item second only to payroll

# COST OF DELAYS

Examples of delays and/or additional costs

- Arrival/Departure Congestion
- Connecting Flights
- Poor Ground Transportation Options
- TSA!!!!!!

# What Works Well at SEA

- Amenities offered
- Check-in process
- Lounge offerings
- All gates accessible past any security checkpoint
- Baggage delivery
- Rapidly increasing route network, especially International routes to Europe and Asia

# And Not So Well at SEA

- Security Lines and TSA Pre lines
- Transportation to/from Sea-Tac
- Physical airport infrastructure
- Changing gates (often different terminals)
- Fares (higher than SFO, LAX)
- 1970's Bunker, aka International Arrivals
- Signage – limited languages
- Confusing shuttle service drop off and pick up



# TSA – SEA Style



# Value of the Corporate Traveler

## Labor Force

King County	1,600,000
Pierce County	390,246
<u>Snohomish Country</u>	<u>395,317</u>
Total	2,385,563

Estimated % that travel	25%	596,390
<u>Estimated trips per year</u>		<u>5</u>
Total trips		2,981,950

# Impact of Inefficient Airport Facilities to Corporations

- Number of Trips 2,981,950
- Average Salary for King County area \$125,000
- Average Hourly Wage \$60/hour
  
- Sample: Company A
- 48,000 employees
- @ 20% traveling 5 trips per year @ \$60 per hour
- Every hour of delay cost Company A \$2,800,000/year

# Impact of Inefficient Airport Facilities to Corporations (cont'd)

- Sample- Company B
- 88,000 employees
- @ 25% traveling 5 trips per year @ \$60 per hour
- Every hour of delay costs Company B \$6,600,000/year

# What's on our minds?

- TSA screening improvements!
- Importance of route development
- Uber/Lyft current state
- International Arrival Facility upgrade
- Passenger Facility Charges (PFC)
- Enhanced WA Drivers License

# Passenger Facility Charge

- FY 2017 US budget requests an increase in Passenger Facility Charges from \$4.50 to \$8.00
  - Corporate Travel Buyers are concerned not just about \$3.50 increase, but what's next and where and how are the funds being used
  - Impact to a Mid Size Corporate Travel Program
    - \$3.50 increase to 120,000 segments = \$378,000 increase

*Source: Global Business Travel Association*

# Real ID

- Washington State concerns
  - Is there a plan?

**REAL ID**  
What ID Do I Need to Fly Domestically?

I live in... As of Jan. 2016 As of Jan. 22, 2018 As of Oct. 1, 2020

I live in...	As of Jan. 2016	As of Jan. 22, 2018	As of Oct. 1, 2020
AL, CO, CT, DE, D.C., FL, GA, HI, IN, IA, KS, MD, MS, NE, NV, OH, SD, TN, UT, VT, WV, WI, WY	You can continue to use your license to fly in the U.S.	You can continue to use your license to fly in the U.S.	License must be REAL ID compliant
AK, AZ, AR, CA, Guam, ID, KY, LA, ME, MI, NH, NY, N. Marianas, OK, OR, Puerto Rico, RI, SC, TX, VA, Virgin Islands	You can continue to use your license to fly in the U.S.	You can continue to use your license to fly in the U.S.	Your state will be compliant or noncompliant by 2020; continue to check for updates
Am. Samoa, IL, MN, MO, NM, WA	You can continue to use your license to fly in the U.S.	You will need an alternative identification to fly in the U.S.	You will need an alternative identification to fly in the U.S.

Illustration of a man with a suitcase holding a driver's license.

# How do we compare to other West Coast options?

- SFO
  - Great route options, new facilities with multiple amenities, ground transportation options, airport train and BART
  - Multiple levels for checkpoint security – less efficient
- SAN
  - Very user-friendly, convenient location, great signage
  - Limited international service
- LAX
  - More competitive fares and flight options
  - Challenging facility layout; increasing traffic congestion to and from airport



# Future Ideas

- Improve ground service to and from SEA
  - Technology utilized to lessen vehicles in/out of airport
- Share our customers' needs for the new IAF and business travel at SEA
- Improve minimum connect time and enhance productivity of passengers in terminal

# Thank You

- Voice of corporate traveler must be heard
- Think of us as your partner, not just your customer
- Thank you for listening