

# Airport Recovery Plan: FlyHealthy@SEA

Port of Seattle Commission

May 12, 2020

Lance Lyttle, Aviation Managing Director

Julie Collins, Aviation Customer Experience Director



# COVID-19 Paradigm Shift:

## Evolving Customer Expectations:

- Airport will be safe/clean
- People who choose to travel are healthy
- No crowds will be allowed to gather
- People working at the airport are healthy

*Working with collaboration and urgency to advance consistent solutions*

# FlyHealthy@SEA: Goals

- Restore customer confidence in air travel
- Ensure confidence for airport-wide employees, tenants and contractors
- Maintain a safe and healthy airport environment
- Renew enthusiasm for travel
- Return passenger volumes and economic vitality

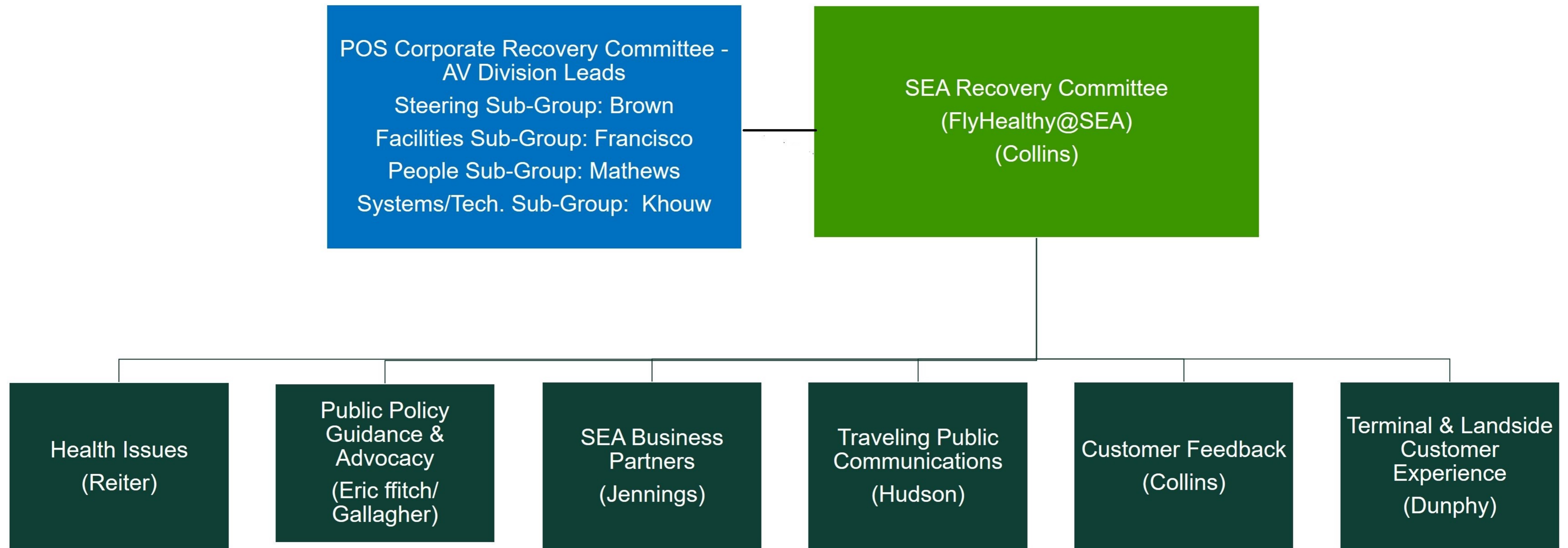
*Achieving the FlyHealthy@SEA goals will require a multi-faceted and multi-phased approach.*

*The first sentence in the SEA brand position statement, “At SEA, we demonstrate a shared passion for the well-being of customers...”, will drive our actions and messages.*

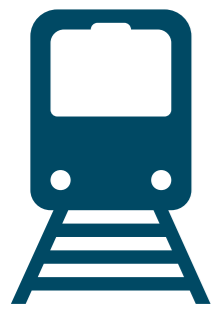
# FlyHealthy@SEA: Three-Prong Approach



# Aviation Division Organizing Structure:







## Arrival & Transportation

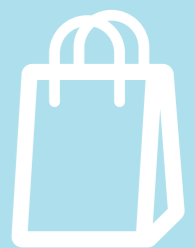
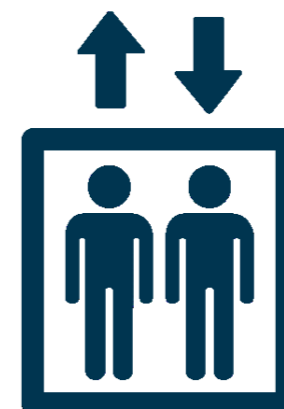
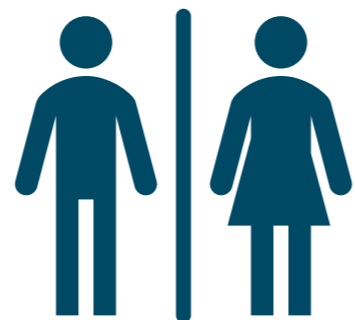
## Ticketing

## Security

Parking  
Ground Transportation  
Public Transit

Airline and Baggage Check In

TSA  
CBP  
Expedited Screening Programs



Nursing Suites and Children's Play Area  
Restrooms, Hold Rooms and Airline Lounges  
Accessibility Services, Power Charging Stations and Seating

## Baggage Claim & Beyond

## Janitorial Services for Airport Services & Amenities

## Airport Dining & Retail

# FlyHealthy@SEA: Promoting Healthy Habits

*Providing a healthy travel experience requires collaboration and consistency across the airport.*

- Improving our facilities
- Revising our policies and practices
- Informing our customers and employees

# IMPROVING OUR FACILITIES

Laurel Dunphy, Director  
Aviation Operations



# FlyHealthy@SEA: Initial Actions

- Increased cleaning frequency & strength of products
- Installed over 200 hand sanitizers
- Physical distancing in security queues, shuttles, and non-hold room/dining seating
- Temporarily relocated airport wide employee parking
- Installed sneeze guards at cashiers in parking garage
- Encouraged touchless (credit card) transactions
- Enhanced digital signage

12:57 PM

Operator	Flight #	City	Depart	Arrive	Gate	Remarks
Alaska	2828	Orange County	16:15	16:15	C2F	On-Time
Alaska	3378	Palms Springs	17:00	17:00	C2H	On-Time
Alaska	354	Paris - CDG	18:30	18:30		On-Time
Air France	3190	Paris - CDG	17:45	17:45	C2F	On-Time
Alaska	3190	Paris - CDG	20:00	20:00	B7A	On-Time
Delta	3853	Paris	06:50	06:50	D5	On-Time
Alaska	65	Petersburg	22:41	22:41	D18	On-Time
American	764	Philadelphia	13:30	13:30	C2E	On-Time
Alaska	2828	Phoenix	13:45	13:45	B18	On-Time
Southern	210	Phoenix	13:45	13:45	B14	On-Time
Southern	2093	Phoenix	14:55	14:55	D2	On-Time
Alaska	850	Phoenix	16:15	16:15	B1	On-Time
Delta	798	Phoenix	16:59	16:59	C2C	On-Time
Alaska	2811	Portland	13:30	13:30	C2B	On-Time
Alaska	2847	Portland	15:00	15:00	C2B	On-Time
Delta	4024	Portland	15:30	15:30		On-Time
Alaska	1205	Portland	16:00	16:00	S10	On-Time
Alaska	1287	Portland	17:15	17:15	C18	On-Time
Alaska	2868	Portland	18:15	18:15		On-Time
Alaska	2704	Portland	19:30	19:30		On-Time
Delta	3589	Portland	20:55	20:55	B1	On-Time

Maintain distance and stay 6 ft or 2m from others.....

**Together, we can stop the spread.**

Wash your hands often with soap and water for at least 20 seconds.

Practice physical distancing 6 feet (2 meters).

Cover your cough or sneeze with a tissue, and throw it away.

Clean surfaces using a household cleaning spray or wipe.

Avoid touching your eyes, nose, and mouth.

Wear a mask or cloth face covering.

#FlyHealthySEA

SEA Seattle-Tacoma International Airport

**Hand sanitizers** have been installed throughout the terminal for your protection. Look for a dispenser wherever you see this symbol.

Search “**hand sanitizer**” on the SEA App to find a location near you.

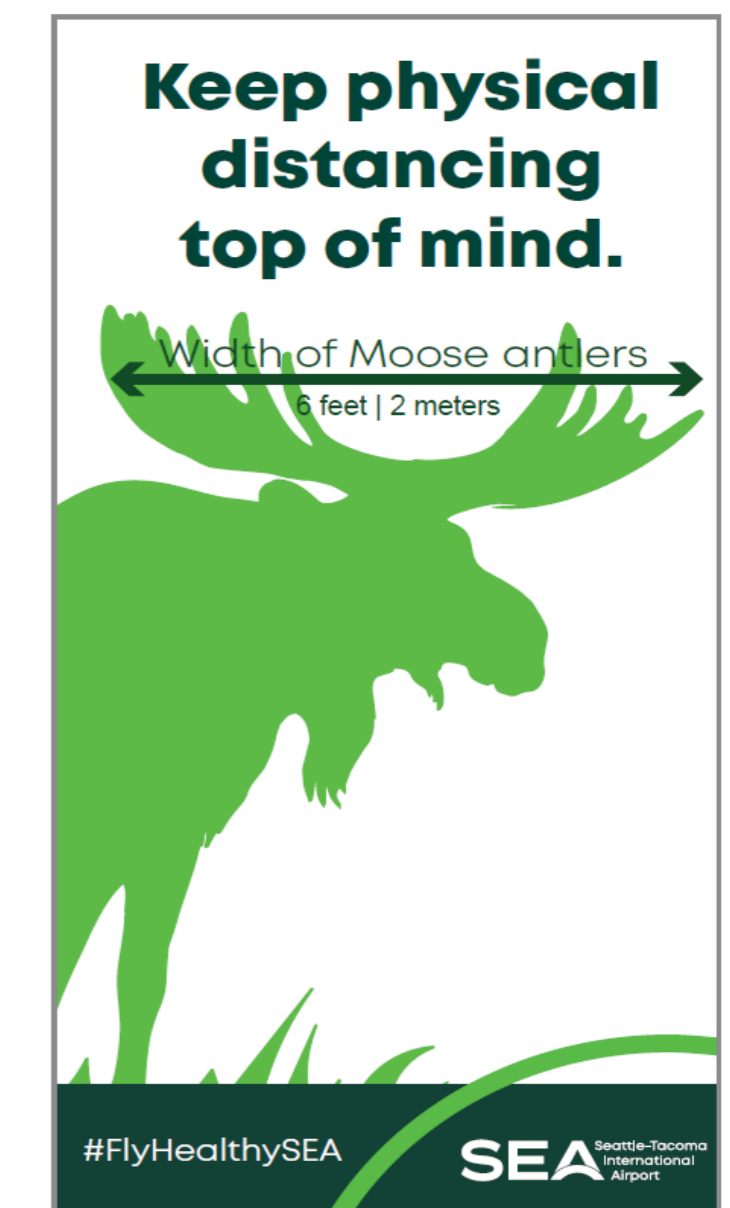
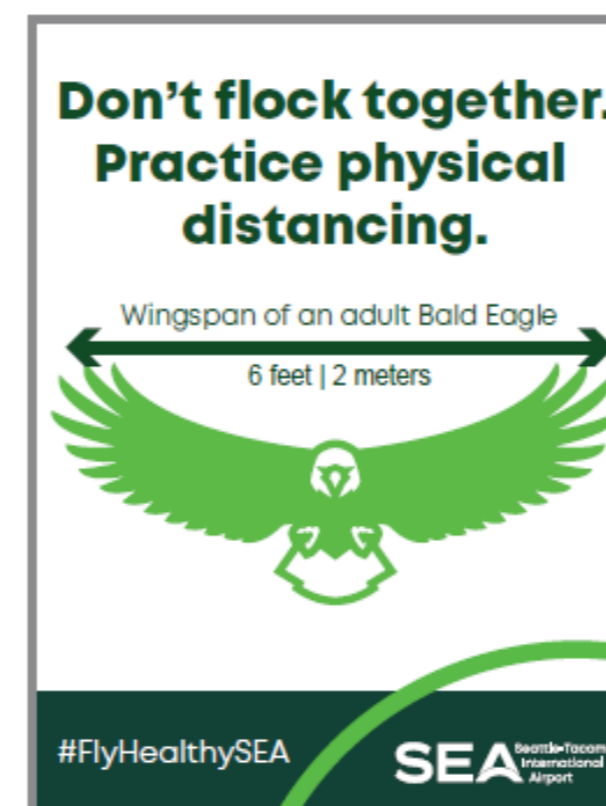
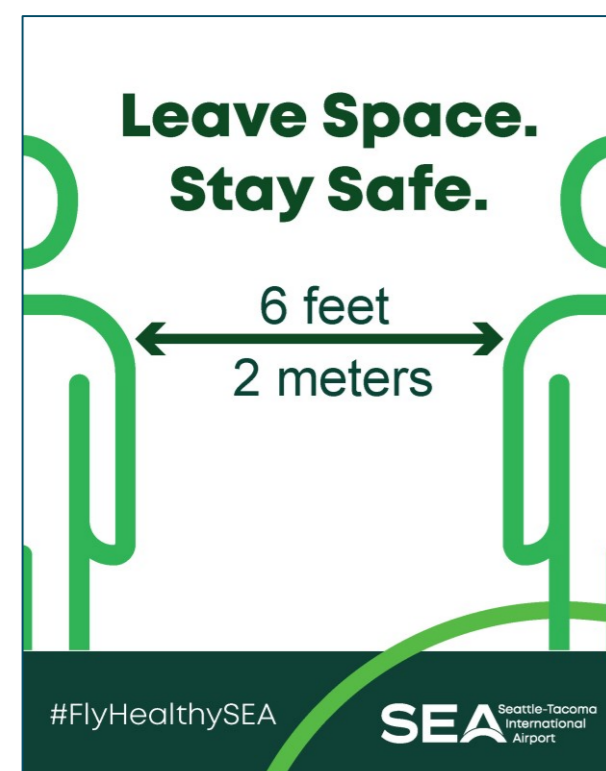
Download the SEA App here.

SEA Seattle-Tacoma International Airport

# FlyHealthy@SEA: by June 1

## Terminal and Landside Signage

- Floor Markings / Stickers
- Spacing after security screening
- Signage on seating, stanchions
- Additional public announcements
- International communication



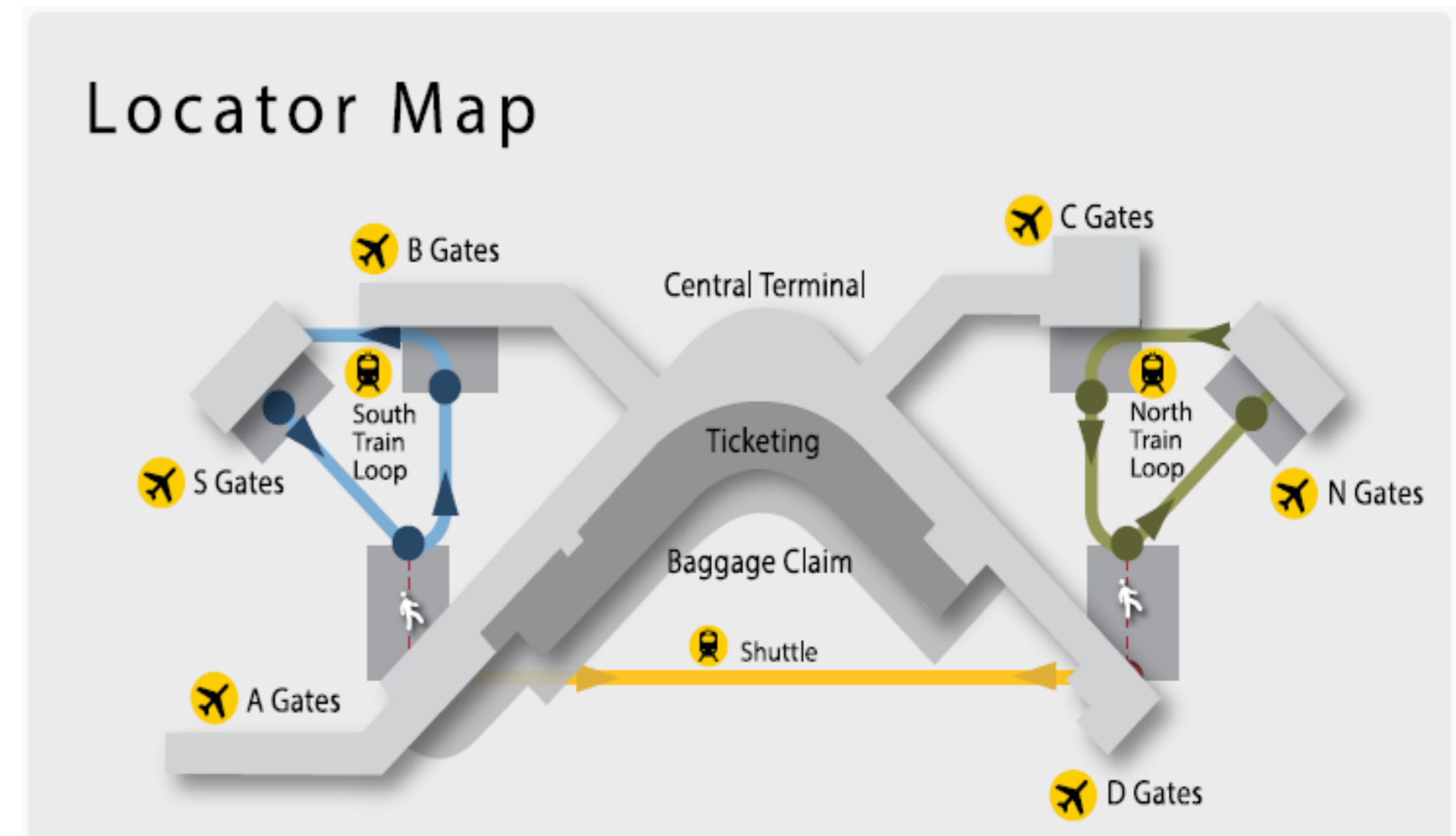
# FlyHealthy@SEA: In-Progress

- Sneeze Guards
- Touchless Restroom Enhancements
- Spacing at Ticket Counters for Physical Distancing
- Development of Dining & Retail COVID-19 Business Plans
- Coordination & support for all operators

## Future Considerations:

*Train Station Closures (B & C Concourse)*

*TSA Divestiture Bin Sanitation*

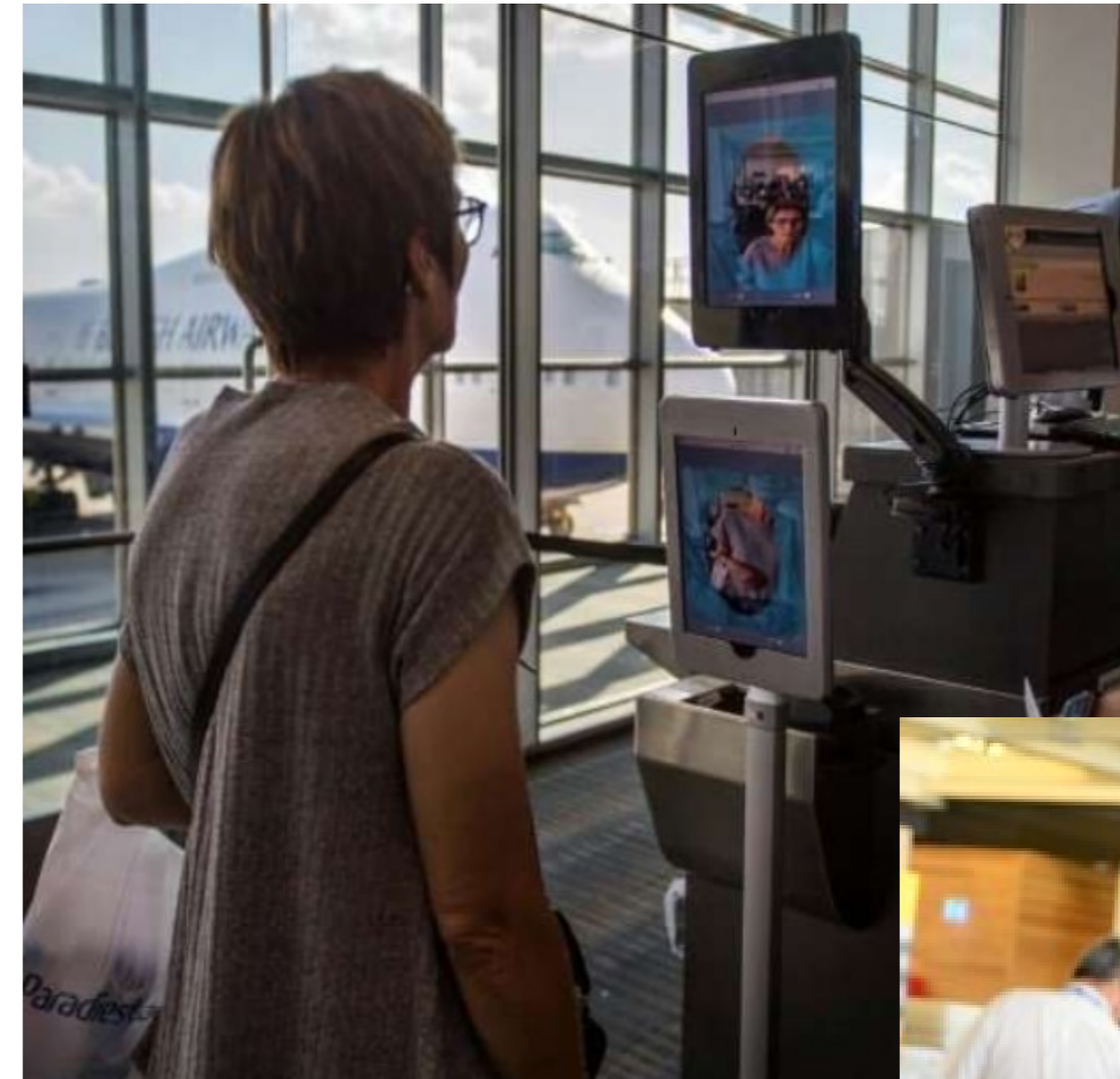




# FlyHealthy@SEA: Exploring Touchless Solutions

## Touchless Travel Innovation

- **Facial recognition**
  - Mature technology
  - Wide industry support
- **Capacitive sense devices**
  - Touch screen alternative
- **Voice recognition**
  - Replaces touch screens
  - Leveraging home assistants
- **NFC & RFID transceivers**
  - Smartphone required



# REVISING OUR POLICIES & PRACTICES

Wendy Reiter, Director  
Aviation Public Safety & Security

# FlyHealthy@SEA: Health Issues

- Continue close engagement with public health entities re: evolutions in COVID-19 knowledge (transmission, symptoms)
- Partner with other airports, airport trade associations, and public agencies (e.g. Transportation Security Administration, Customs & Border Protection, Centers for Disease Control & Prevention, Federal Aviation Administration) to identify, develop and consistently execute potential health-related actions and policies
- Coordinate with SEA Partners (airlines, tenants and businesses) to evaluate emerging health-related issues (*Met on 5/8*)



# FlyHealthy@SEA: Health Issues

## Evaluate emerging health-related issues:

- **Face Coverings**: worked with POS corporate departments and AV departments to assess; reviewed policy options with Port Commission Aviation Committee on 4/30 and SEA Partners on 5/8;

***POS has announced face coverings requirement at SEA for all public-facing employees, the public, and passengers starting on May 18***

- **Limited Terminal Access**: airports in several states (e.g. New York, California) have temporarily limited access to passengers and employees; reviewed policy options with Port Commission Aviation Committee on 4/30 and SEA Partners on 5/8; no strong objections were surfaced; review with POS commission on 5/12

# FlyHealthy@SEA: Health Issues

## Evaluate Emerging Health-Related Issues:

- **Health Screenings/Temperature Checks:** discussed with POS Commission Aviation Committee on 4/30 and 5/8. Commissioners urged staff to aggressively pursue short-term implementation of temperature checks at SEA until a long-term and consistent national approach is established.

## Near-Term and Long-Term Considerations

### ***Conducting Temperature Checks in the Long-Term:***

- Establish an efficient and consistent process at all U.S. airports
- Implementation by a federal agency would ensure consistency
- Several industry trade associations, including Airlines 4 America, believe the TSA should add temperature checks to the existing security screening process

# FlyHealthy@SEA: Health Issues

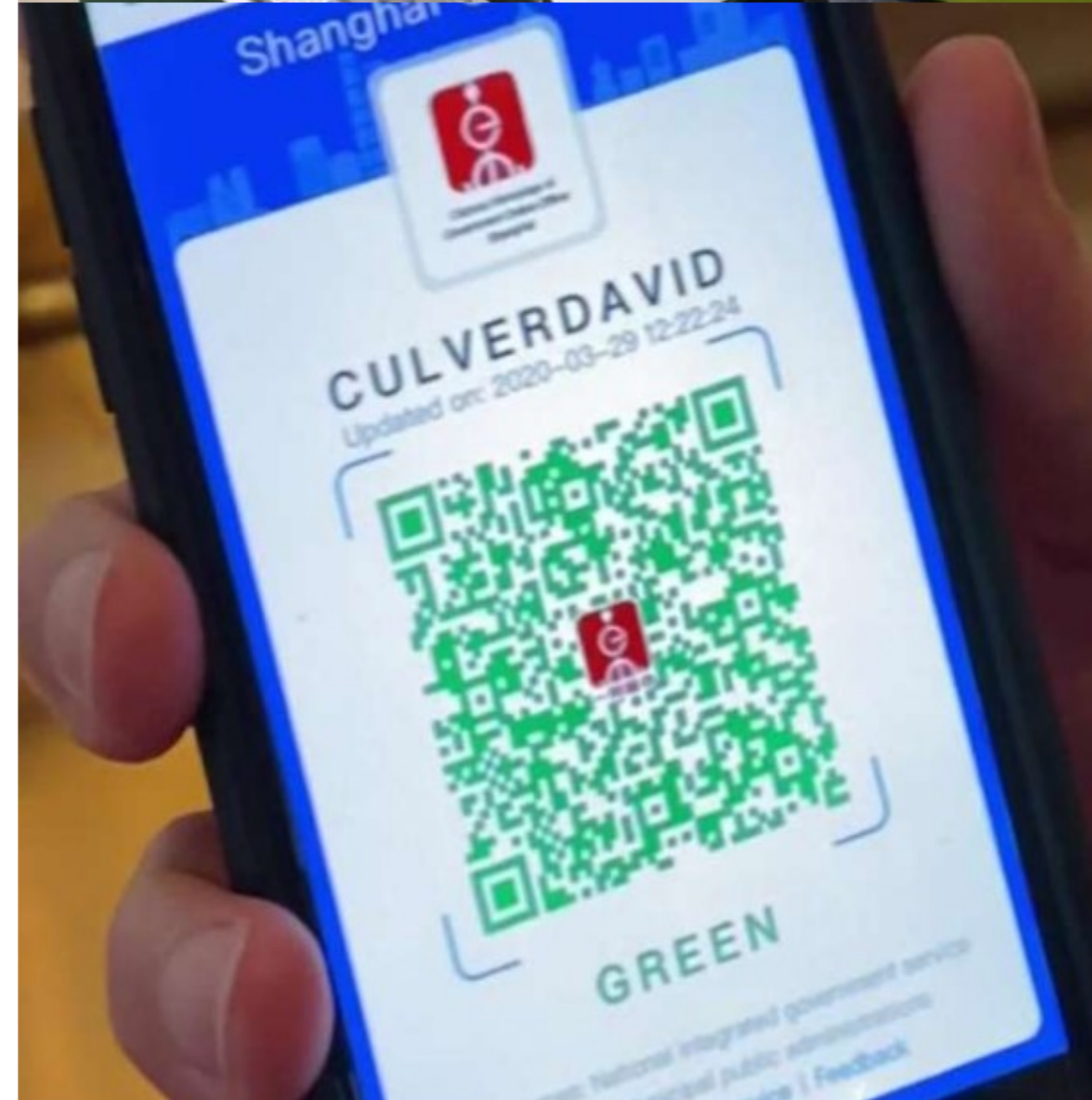
## **Establishing Near-Term Temperature Check Process at SEA:**

- Discussed on 5/8 with SEA Partners (airlines, tenants and businesses); established a SEA Partners task force to develop protocols and determine logistics for temperature checks at SEA in the near-term until a consistent, national approach is established; Review initial SEA Partners task force findings with full group on 5/29;
- Reaching out to health entities (e.g. health contractors?, public health entities?, WA National Guard?) who could administer in the short term
- Determining required space and potential locations for the screenings
- Identifying key legal, financial and privacy issues for clarification (e.g. FAA policy guidance)
- Exploring ways to leverage existing airport partner employee screening efforts
- Collaborating with airports in Hawaii and Paine Field, as well as with airlines, where temperature screenings are occurring or soon to occur



# Healthy Travel Innovation

- **Temperature sensors**
  - Accuracy varies widely
  - Policy & process required
- **Ultraviolet light cleaning**
  - Effective, yet caution required
- **Physical distance sensors**
  - Enforcement challenges
- **Health Certificates**
  - Smartphone implementations
  - Potential privacy issues





# FLYHEALTHY@SEA: NEXT STEPS & RECOMMENDATIONS

Julie Collins, Director  
Aviation Customer Experience

# FlyHealthy@SEA: Next Steps:

- Implement face coverings requirement at SEA (starts 5/18)
- Continue implementation of initial physical distancing projects – 6/1 milestone
- Fully execute the FlyHealthy@SEA communications plan including website updates, etc.; fully inform customers re: required face coverings policy on 5/18; highlight completion of physical distancing projects, signage and travel tips by 6/1; distribute a weekly update starting 5/15 that can be shared internally and externally; encourage travelers to only fly if healthy;
- Advance work to establish near-term health screening (temperature checks) at SEA; provide detailed progress update by 6/1, including implementation timeframe;
- Develop best practices, share information and collaborate with public health officials, airlines, other airports, trade associations, SEA Partners, etc.;



# FlyHealthy@SEA: Recommendations

## Compress Port of Seattle decision-making steps:

- Aviation Managing Director is “empowered to issue policies deemed necessary for the safety and well-being of airport users.” (Port of Seattle Rules & Regulations Number 5)
- Utilize streamlined decision-making process with Executive Director, Port Commission President and Aviation Managing Director;
- Provide ample communication about emerging issues and decisions (e.g. weekly FlyHealthy@SEA update starting 5/15 – broadly distributed and available on the POS website, regular commission meeting updates, etc.)
- Incorporate reports at commission meetings from SEA Partners regarding their efforts to address COVID-19 and to restore traveler confidence.

FlyHealthy@SEA

Questions?

*Every Day, Elevate*



**COVID-19  
Presentation to Port of Seattle**

May 12, 2020

# Executive Summary

- For the U.S. airline industry demand has evaporated, with over **316 million people** in the U.S. subject to stay-at-home orders as of April 20, and the road to industry-wide recovery long.
- We saw demand begin to decline significantly in late February, and March 11th was the first day customer cancels surpassed bookings. Since then, Alaska Airlines has been in a state of **near zero-demand**, with a direct focus on **building liquidity** and dramatically **reducing our cash burn rate** to zero by year-end.
- Alaska Airlines is looking at **four factors to plan** in an uncertain demand environment of unknown duration.
- Alaska Airlines maintains a **relentless focus on employee and guest safety** with many new enhancements put in place already and more under consideration.

# ✈ State of the airline industry

A4A passenger volumes have fallen **95%**  
in the week ending April 26.

A4A carriers are averaging **17**  
passengers per domestic flight

Net booked passengers have fallen **95%**  
YOY in the week ending April 26.

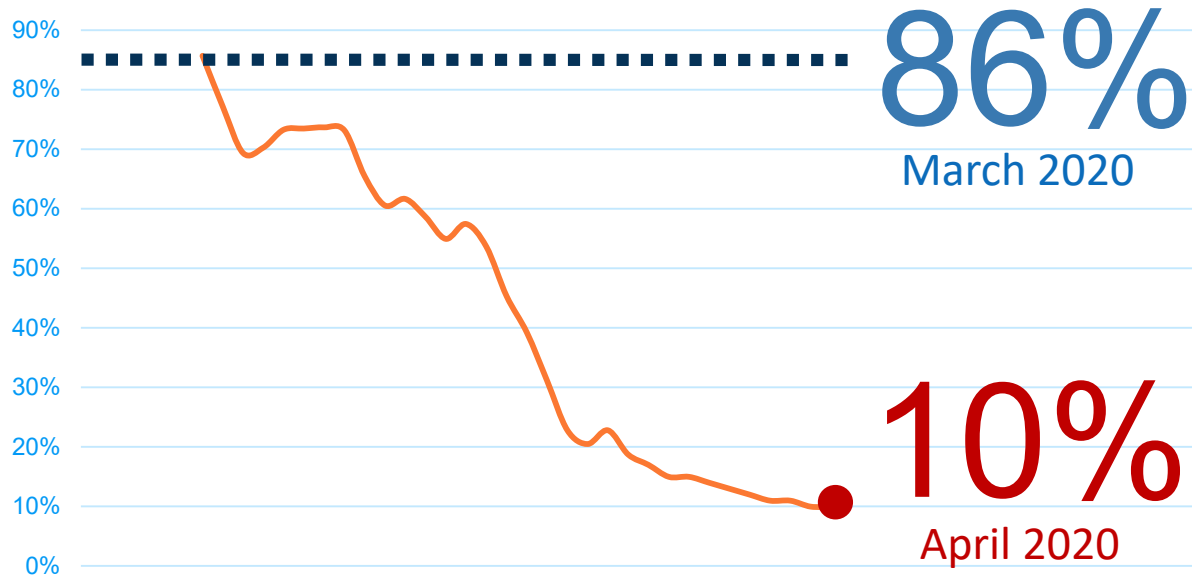
Net booked revenues have fallen **101%**  
year-over-year

U.S. carriers are collectively burning **\$10<sub>B</sub>**  
each month

U.S. airlines have grounded **3k**  
aircraft (49% of the year-end 2019 fleet), with hundreds more planned

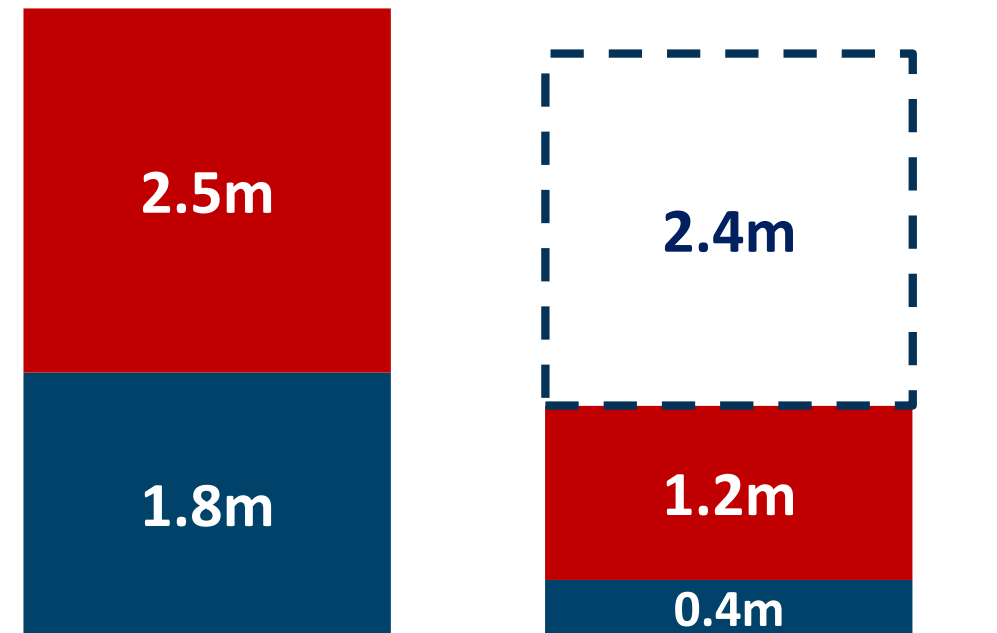
# ✈️ We've seen load factors & bookings plummet

## Load factors



## Bookings & cancellations

~4 million guests/month



## SEA Day Pre- and Post-COVID outbreak: A comparison

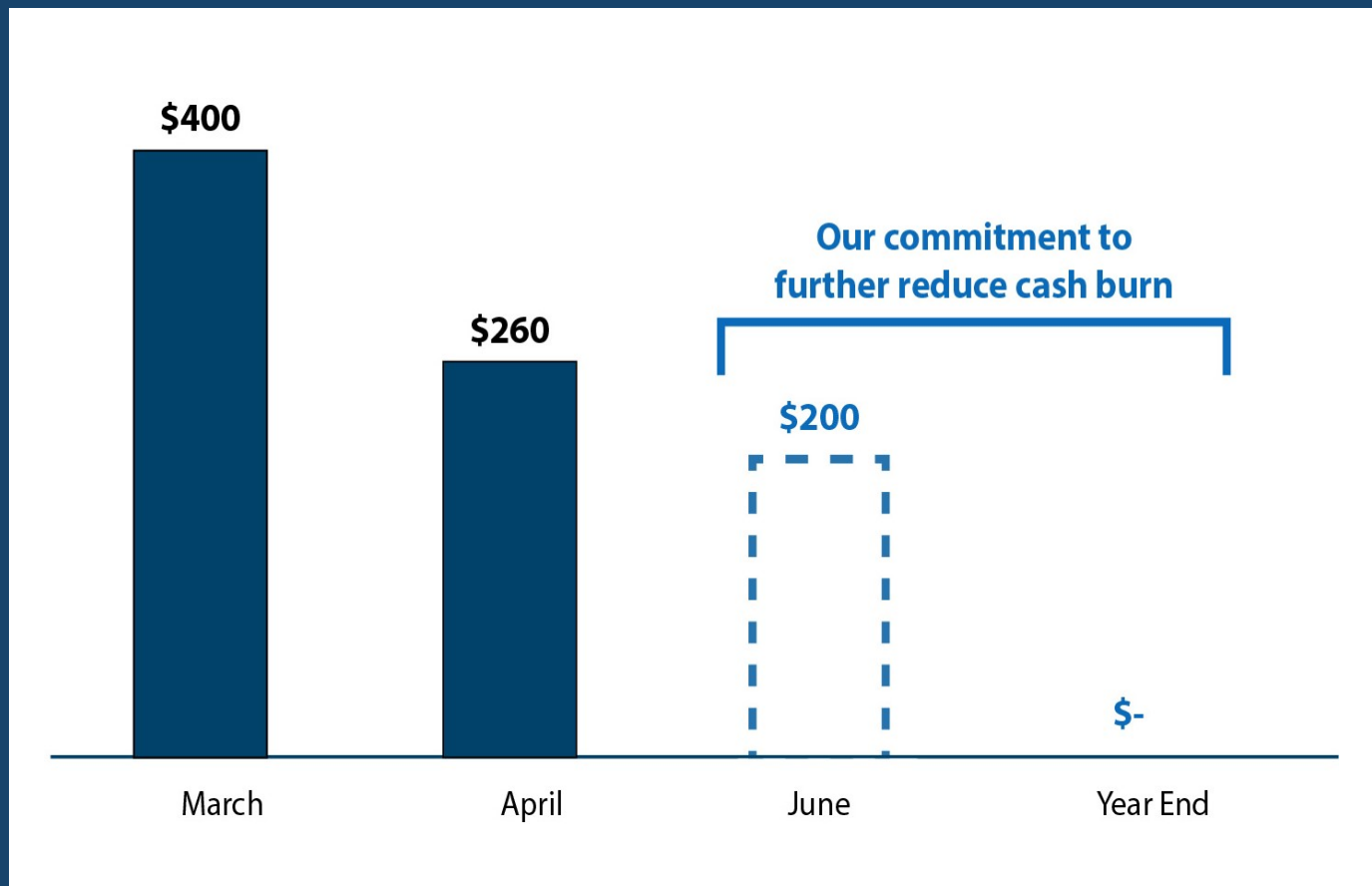
	Guests	Flights	Seats	Banks
April 2019	32,538	307	39,839	5
April 2020	1,890	99	11,672	2

- ☐ Missing Bookings
- Cancellations
- Flown + Booked Passengers





# After a strong start in Q1 and reaching target debt levels, profit turned on its head. Attention now focused on liquidity and cash burn



- Started the year having paid down 75% VX acquisition debt, achieving target debt-to-cap
- January-February were strong, but those profits were lost with the downturn in March
- March cash burn = \$400M → now reduced to \$260M per month
- Executive pay reductions, no overtime, parked airplanes, etc.
- **Must bring costs down significantly in Q2: to cash burn of \$200M in June & \$0 by YE**
- Received \$992M in grant + loan from CARES Act, that covers 70% of payroll. Restrictions include maintaining employment levels through Sept 30<sup>th</sup>, among others
- Demand will ultimately improve – how much & pacing is unclear



**For business planning, we are looking ahead to Q4 and 2021+.  
Four factors for return to travel.**



## **Travel Restrictions**

- **Shelter-in-place**
- **Travel bans**
- **14-day quarantine**



## **Struggling Economy**

- **Increasing unemployment**
- **Business impacts**



## **Travel Concerns**

- **Fear**
- **Postponing planned travel**



## **Reasons for Travel**

- **Changed behavior**
- **Video conferencing**
- **Less discretionary income**



## After crisis response & immediate actions to preserve oxygen (liquidity), now focused on reducing costs and cash burn to extend longevity & build our future.

1. We know this pandemic, both the public health and economic crises, will have a **significant long-term impact** on aviation. After 9/11 it took **3 years** for passenger volumes to recover and more than **7 years** after the global financial crisis.
2. Weathering this challenge successfully will require **structural and fundamental changes** in our business to address cost structure in a lasting lower capacity and demand environment.
3. We are deeply committed to keeping **our employees** informed – including if reductions in industry capacity must mean reductions in workforce later this year – and are incredibly grateful for everything they're doing to get through this crisis.
4. **Safety** remains our #1 value. We're glad to work with the government, industry, and Sea-Tac airport on approaches to support employees, guests, and partners in the wake of COVID-19.



# Our relentless commitment to safety, to "next-level care" for guests when you're ready to fly

## NEXT-LEVEL CARE

### ...for our guests

- **Waiving change/cancel fees** for 1 year after purchase for tickets purchased through May 31; through Dec 31 for tickets purchased before Feb 26.
- **Requiring masks or face coverings** during airport and flight experience. Masks will be provided for guests who forget one.
- **Offering extra space** during check-in and boarding ("Mind your Wingspan") and inflight by restricting middle and aisle seats through June 30, 2020.
- **Enhancing cleaning on aircraft after every turn** in L48 and AK hubs, including use of electrostatic sprayers to disinfect every part of the cabin.
- **Hospital grade HEPA filters** onboard remove 99.95% of airborne particles inflight and replace cabin air every 3 minutes.
- **Limiting onboard service** and recycling temporarily to reduce contact.
- **Emphasize app use, print-at-home, and non-contact** check-in, boarding pass and bag tags.
- **Trialing voluntary temp checks as a guest resource in SEA** with new technology to assist self-monitoring for symptoms of COVID-19.

### ...for our employees

- **Communicating a strong "stay at home if sick" message** and an app for our agents to self-evaluate their symptoms.
- **Requiring masks** for all employees who cannot social distance. Each employee will be provided 2 branded fabric masks.
- **Providing** hand sanitizer and optional gloves.
- **Spacing** at counter workstations to provide social distance.
- **Cleaning airport space**, break rooms, office buildings, and other guest or employee spaces.
- **Limiting contact** by temporarily pausing recycling and limiting onboard service.
- **Scanning temperatures** of flight attendants and pilots and assessing symptoms prior to flights.





# Approaches to mitigate risk of COVID-19 will continue to evolve; key principles and considerations guide our approaches and commitment

- Industry largely aligned on actions; considerations remain on timing, cost and longer-term safety. **We view COVID-19 precautionary measures as temporary**, will continue to share best practices, evolve approaches, and periodically evaluate their continuance.
- Our approaches are designed & reviewed in consultation with UW infectious disease **medical experts**.
- **Continue open lines of communication with** unions to support guest and employee safety
- Health screening of traveling public in response to COVID-19 is a governmental function; **TSA best positioned to conduct temperature checks**.
- **Mask** use should be universal in the airport for now



<https://www.youtube.com/watch?v=L2p8pLOzKyc>