SeaPort: the 'TSA-free Airline'

by Ken Donohue

JOE G WALKER

Imagine flying commercially from Seattle, Washington, to Portland, Oregon, and being able to show up at the airport 15 minutes before your flight, without having to worry about a boarding pass or TSA (Transportation Security Administration) hassles. Oh, and the parking is free. Unheard of, you say? Not with SeaPort Airlines, a young, aspiring company that is carving out a niche for itself.

SeaPort first began operating between Seattle and Portland—hence the airline's name—in June 2008 (*News from the Airways*, October 2008). A group of investors looking to start an air service over the 185mi (300km)-route first had to decide whether to build an airline from the ground up, or buy an existing operator. After some discussion, they chose the latter option and bought Alaska Juneau Aeronautics (AJA), which was doing business as Wings of Alaska. The launch was made easier by using the Alaska company's air carrier certificate to expand operations in other parts of the USA.

According to Rob McKinney, the airline's CEO, there is a natural business link between Seattle and Portland, which made starting a small airline catering to the business traveller, or the leisure passenger wanting to save time and hassle, a natural fit. "There are 4,000 co-located businesses in the two cities, so there is a great need for people to travel back and forth. Before SeaPort, travellers had a choice between Horizon Airlines, the train, or driving, all of which would take upwards of three hours."

An aviation degree and a goal of becoming a pilot propelled Rob McKinney into the airline business. After becoming a flight instructor, he gained some management experience working in the charter business, which equipped him to tackle the challenges of operating a small passenger airline. Most recently, McKinney was instrumental in building Pacific Wings (*Airways*, March

2007) and Mokulele Airlines (Airways, November 2009), both small, inter-island carriers in Hawai'i. "I was living on Maui and was asked to serve as SeaPort's chief operating officer," he says. "It was an offer I couldn't refuse. I was actually the airline's first employee." He was named president in February 2010 after the departure in November 2009 of SeaPort co-founder and first CEO, Kent Craford.

While not a start-up in the true sense, SeaPort still faced many challenges, not least of which was publicizing its convenient service. Only recently has SeaPort negotiated agreements with global distribution systems (GDSs) such as Expedia and other online travel sites. "We needed to get to a certain size before we could justify the fixed cost associated with having our inventory marketed through these channels," says McKinney. "It's also a tough market to penetrate, because in the case of Seattle, we're playing in Alaska Airlines's sandbox, and getting noticed and letting people know about the convenience of the airports we operate from is not easy."

In Seattle, the airline uses the quaint, red brick passenger terminal at the King County International Airport, commonly known as Boeing Field (BFI). Besides flight test activities, located on the western side, the airport is used primarily for general aviation and cargo flights, though because it is closer to downtown than the much larger Seattle-Tacoma (Sea-Tac) International Airport (SEA), BFI is an attractive alternative for commercial airlines. Both Alaska and Southwest Airlines have indicated interest in operating from the airport; however, city officials have turned down their requests. Apart from SeaPort, the only other commercial passenger operator at BFI is Kenmore Air (Airways, May 2004).

SeaPort operates eight single-turbine, nine-passenger, pressurized Pilatus PC-12 aircraft, which McKinney says is the best type for its operations. "We can bring a lot of efficiencies by using small aircraft, and we can do a good job serving nine passengers," he notes. "Also, no security screening is a big time-saver for our passengers, which is why they can check in 15 minutes before departure."

On my flight from Seattle to Portland (PDX), I couldn't help notice the bright lights at SEA on the climb-out. I pitied the mass of travellers below who were no doubt snaking their way through check-in and security lines before even reaching their gate. It was like a little time-saving secret that only the handful of other passengers onboard and I knew. Okay, the secret's out.

SeaPort uses the Flightcraft business aviation terminal at PDX, a convenient alternative to the main terminal. Within two minutes of landing, I was deplaning and being led into the modest building, where our luggage was delivered. A small waiting area offers complimentary Internet access, and a shuttle van whisks passengers to and from the main terminal. PDX is the only SeaPort destination where passengers must pay for parking, a requirement of the port authority.

While SeaPort's first priority was to connect the two largest cities in the Pacific Northwest, a new niche of operating to rural communities and providing an air link to larger networks is developing. With the weakened economy, SeaPort realized that it needed to diversify beyond its Seattle–Portland model, and as such first began to serve the Oregon coast, then rural towns long since abandoned by larger airlines. SeaPort is able to do this with the help of the Essential Air Service (EAS) program, which subsidizes air service to small communities. EAS was enacted as a result of deregulation of the US airline industry in 1978, which gave airlines the freedom to determine which domestic markets to serve and what fares to charge. Without EAS, many cities would have lost air service.

"If the global economy hadn't gone into such a downturn, we wouldn't have gone in this direction,"

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The convenient King County International Airport (Boeing Field) is SeaPort's Seattle terminus.

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SeaPort operates the Swiss-built PC-12, although some unpressurized Cessna 208 Caravans of sister airline Wings of Alaska are used on less-busy routes.

says McKinney. This is the reason behind the expansion of flights in the mid-South, where the airline links four Arkansas communities with Memphis, Tennessee. Under EAS, airlines submit to the Department of Transportation their expected costs and revenue for a particular service, and then a percentage that needs to be added to make the route financially viable. The community receiving the service has an opportunity to review the list of bidding carriers, and can submit a recommendation to the DOT, which makes the final decision. "We are able to offer quality, high-frequency service better than any other carrier," claims McKinney. "And we're better stewards of public funds."

There are lots of people who wouldn't be passionate about serving smaller communities, but McKinney is unapologetically so. "I grew up in a small town, and rural America is the fabric of American society," he declares. "It's difficult for these communities to develop an economic base without air service." SeaPort isn't content on solely serving niche markets. The airline has its sights set on some of the country's largest cities, notably in southern California and the Northeast, including Washington, DC, and Philadelphia, Pennsylvania. The airline sees a need to take the hassle out of air travel for business travellers wanting to move quickly between larger centers.

On the Seattle–Portland route, 80% of the market is business-related, whereas in the smaller communities leisure travellers make up the majority of customers.

McKinney wants to see continuous but prudent growth for the airline, and has a vision for SeaPort to be a national brand in the coming year. "We know what we are good at, and we have no intention of operating 50-seat regional jets," he says. "We're also a business and we'll give a route time to develop, but if it isn't economically viable we won't fly it."

SeaPort wants to be known as a high-quality airline with top class service, operating small airplanes, which in turn allows for affordable fares. While SeaPort won't always have the cheapest fare, the added convenience and free parking will more than make up for the modestly higher price the airline charges over some of its competitors. Since the airline implemented e-ticketing, it has begun negotiating interline agreements.

McKinney has no doubt about the challenging nature of the airline business. 'Tough' is one word he uses to describe it. But equally, the airline doesn't pretend or aspire to be something that it is not. The airline is proud that it always puts its customers first, has an impeccable safety record, and offers good paying jobs to its staff. 'It's about time' is SeaPort's new slogan. Indeed, SeaPort's model is about taking the hassle out of air travel, and harkens to a time when flying was an enjoyable experience. It's the way it should be, and if the carrier continues to operate a sound business, more communities will be able to enjoy the SeaPort difference and experience the airline's promise to 'hit the sky running'. ✈

SEAPORT
The business-style cabin of the PC-12.

KEN DONOHUE

Fast Facts—SeaPort Airlines
(Alaska Juneau Aeronautics dba)

IATA: K5   **ICAO:** SQH   **Radio:** Sasquatch

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Website: www.seaportair.com

Cities served
Pacific Northwest: Astoria, Newport, Pendleton, Portland (OR); Seattle (BFI)

Mid-South: El Dorado, Harrison, Hot Springs, Jonesboro (AR); Salina (KS), Kansas City (MO), Memphis (TN)

Founded: April 2008
Start date: June 30, 2008
Chairman: John Beardsley
CEO: Rob McKinney
Ownership: SeaPort Air Group

Fleet

Type	Nº	Seats	Engines
Pilatus PC-12/45	8	Y9	PWC PT6A-67B