



Viva Mexico!

Alaska Airlines celebrates 20th anniversary of service south of the border

By Don Conrard

Twenty years ago this month, Alaska Airlines made history when the Department of Transportation granted the carrier authority to serve Mexico.

What began with flights to Puerto Vallarta and Mazatlán on alternate days of the week has expanded to include 10 destinations and 20 round trips a day during peak season.

Today, Mexico accounts for 12½ percent of the airline's available seat miles and generates millions of dollars in annual revenue.

During 2007, Alaska and Horizon Air carried about three quarters of a million revenue passengers to destinations south of the border.

"Mexico is now part of who we are as an airline," says **Steve Jarvis**, vice president of marketing, sales and customer experience. "It's hard to imagine Alaska Airlines today without it."

Becoming an international carrier was the last thing on Alaska's mind when it acquired Jet America in 1987. At the time, Alaska intended to use the carrier as a low-cost way to muscle into transcontinental markets, then dominated by United and Northwest.

But at the time of the acquisition, Long

Beach-based Jet America happened to be operating charter flights between Minneapolis and Los Cabos for a tour company.

"When the contract ended in February 1988, we thought our time in Mexico was over because all of the existing route authority between the U.S. and Mexico was already taken by other carriers," says **Julian Acosta**, retired director general of Mexico.

But in a surprise move, the United States and Mexico signed their first new bilateral agreement in 18 years, opening dozens of new routes between the two countries.

Alaska Airlines immediately applied for authority to serve 11 destinations in Mexico: Loreto, La Paz, San Jose del Cabo, Mazatlán, Puerto Vallarta, Manzanillo, Zihuatanejo, Acapulco, Huatulco, Guadalajara and the nation's capital, Mexico City. Service was to be from Los Angeles, San Fran-

MEXICO IS NOW PART OF WHO WE ARE AS AN AIRLINE. IT'S HARD TO IMAGINE ALASKA AIRLINES TODAY WITHOUT IT

— STEVE JARVIS,
VICE PRESIDENT OF MARKETING,
SALES AND CUSTOMER EXPERIENCE



cisco, San Jose and Oakland.

After an intense lobbying effort on both sides of the border, Alaska received authority to serve Puerto Vallarta and Mazatlán



Paul McElroy

Four of the people who played a key role in launching Alaska Airlines' service to Mexico in 1988 were reunited last week during a 20th anniversary party in Puerto Vallarta. They are, from left, Marvin Van Horn, Julian Acosta, Kit Cooper and Antonio Alavardo.

from San Francisco in October 1988. Continental was awarded Los Cabos.

Alaska's first flight south was Nov. 15—making the carrier a scheduled international airline for the first time in its history. To denote its "flag carrier" status, aircraft technicians proudly painted the stars and stripes on every Alaska jet, where they remain to this day.

In addition to Mazatlán and Puerto Vallarta, Alaska and Horizon currently serve Cabo San Lucas, Guadalajara, Mexico City, La Paz, Manzanillo, Ixtapa/Zihuatanejo, Loreto and Cancún.

"Employees on both sides of the border can take great pride in the way we have built our Mexico service and the contribution we've made to developing tourism in

places like Los Cabos and Puerto Vallarta over the past 20 years," Jarvis says.

Acosta agrees.

"It's fair to say we made Los Cabos the popular destination it is today," he says. "The same can be said of Puerto Vallarta. It had a good reputation before we arrived, but suffered from a lack of air service from the U.S. We've really helped Puerto Vallarta grow into a major tourist resort."

The airline's initial interest in Mexico stemmed less from its profit potential than a desire to even out the extreme seasonality of its route system.

Prior to serving Mexico, nearly half the airline's annual revenues were generated between May and September—high tourist season in Alaska. Its route system was



Continued on The Back Page

Safety elevated to Air Group function

By Don Conrard

Overall responsibility for safety oversight at Alaska Airlines has been elevated to the Alaska Air Group level, with the position of vice president of safety at Alaska Airlines being replaced by the newly created position of vice president of safety for Alaska Air Group.

The goal of the reorganization is to strengthen the airline's focus on safety as a core mission.

Reporting to CEO **Bill Ayer**, the new AAG-level position will have direct access to the Alaska Air Group Board of Directors Safety Committee. The company is actively looking for an individual to fill this role.

"Elevating the vice president of safety to an Air Group position underscores our continued commitment to this all-important function," said **Keith Loveless**, vice president of legal and corporate affairs. "It will allow us to take a holistic approach to safety at Alaska and Horizon, with the goal of a single focus on safety at both carriers."

For purposes of Federal Aviation Reg-

ulations, the new AAG vice president of safety will serve as the director of safety (DOS) at Alaska Airlines. The DOS role at Horizon will continue to be filled by **Chris Keinath**. Under the realignment, Keinath will continue to report directly to Horizon President and CEO **Jeff Pinneo** and will now have a dotted-line reporting relationship to the AAG vice president of safety.

Organizational changes in the Safety Division at Alaska Airlines amount to more than a simple change of title for the vice president position.

"In keeping with our strategic goal of being number one in safety and compliance, we took a long hard look at how we might take our already great programs in both of these areas and make them even better," said **Tom O'Grady**, AAG's chief compliance officer and deputy general counsel. "Our answer was to realign several programs and processes to provide greater clarity for both the Safety Division and the other organizations responsible for regulatory compliance. We believe this clarity will bring greater understanding of responsibility and accountability."

As a result of the review, several functions primarily related to compliance that had become attached to the Safety Division over the years have been reassigned to other divisions.

For example, Dangerous Goods/Hazmat compliance has been transferred to Customer Services-Airports, while Environmental Affairs is now part of the Legal Division.

"Our concept is to embed compliance efforts in the divisions where the majority of the work is performed," O'Grady said. "This is completely consistent with our commitment to operational excellence."

In addition to providing role clarity, these realignments will allow the Safety Division to be even more focused on its core mission. That mission is founded on four pillars of safety involving flight, fleet, ground, safety information and data analysis, according to **Gary Beck**, Alaska Airlines' vice president of flight operations and interim vice president of safety.


"Of these four pillars, data collection and analysis is the key," Beck said.

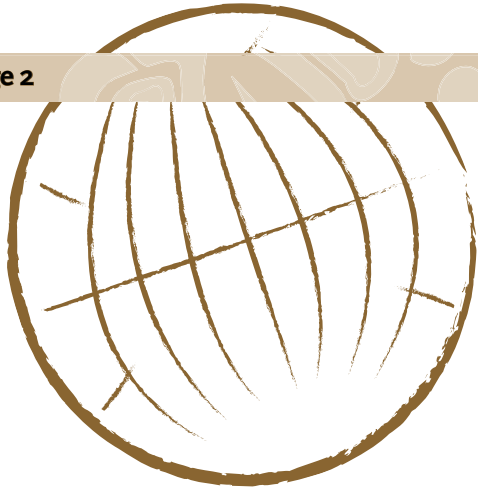
One of the first tasks for the new AAG

vice president of safety will be to oversee the process of creating a central safety and operational information database.

"There is no question that data collection, analysis and dissemination are key to an effective safety program," Beck said. "We currently have multiple databases, all with different information sources. This can make it difficult for safety professionals to analyze the information and spot issues or raise questions. Our goal is to provide everyone with easy access to the same accurate information."

Ayer noted that the Safety Division realignment does not reduce the company's safety or compliance efforts.

"No programs have been eliminated, no effort curtailed. We are still doing everything now that we were doing before the realignment," Ayer said. "In fact, we hope these moves will allow the Safety Division to become even more focused and will add clarity for those responsible for compliance. Over the last eight years, Alaska has developed a safety program and safety culture second to none. We will not allow anything to degrade those efforts." 



Alaska's World

in September



STAFFING

850 to 1,000 frontline employees face early-outs, leaves, furloughs

Alaska Airlines announced it is reducing capacity 8 percent, compared to a year ago, effective with its winter schedule starting Nov. 9 and continuing into 2009. The decline represents 15 percent fewer departures and 10 percent fewer block hours.

As a result of the smaller schedule, Alaska is reducing its operational work force by 850 to 1,000 employees. The airline is working with the unions representing these employees to offer early-out programs and six-month to two-year leaves of absence to minimize the number of involuntary furloughs.

Affected employees will leave the company starting in November and continuing through early 2009.

— Posted to the Web on Sept. 9



SEA-TAC AIRPORT

Alaska Airlines lands first jet on new runway

An Alaska Airlines 737-800 made history when it became the first passenger jet to land on the new third runway at Seattle-Tacoma International Airport. With Captains **Bob Graves** and **Brian Holm** at the controls, the aircraft made five touch-and-go landings on the 8,500-foot strip as part of a Federal Aviation Administration certification process of the runway's lights and instrument landing system.

Three of the touch-and-goes were made using the aircraft's head-up guidance system. The other two utilized autoland technology.

— Posted to the Web on Sept. 9

SAFETY


Alaska equips fleet with runway awareness technology

Continuing a long tradition of leadership in safety innovation, Alaska Airlines became the first major passenger carrier to equip its entire aircraft fleet with a system designed to help prevent accidents on runways and taxiways.

The Runway Awareness and Advisory System (RAAS), developed by Honeywell Corp. in 2003, provides pilots with audible alerts when they approach and enter taxiways and runways.

The system confirms runway identifications to help ensure pilots are on the correct runway with enough distance to complete takeoff. RAAS also provides an audible warning if a pilot inadvertently accelerates for takeoff while on a taxiway.

Regulatory agencies, airlines and others in the aviation community regard inci-



On the Web

September's most-read stories

- 1) 850-1,000 frontline employees face early-outs, leaves, furloughs
- 2) Touchdown - first landing on 3rd runway
- 3) Left on board sale announcement
- 4) Electronic guest passes now available
- 5) Standbys will now be listed at the gate

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dents in these operational areas—known as runway incursions—as one of the industry's biggest safety issues.

— Posted to the Web on Sept. 9

EMPLOYEE TRAVEL

Electronic guest passes now available on PET

No longer do friends and family members of Alaska and Horizon employees have to stand in line and buy paper guest pass tickets at the airport. Employees can now obtain a code from the Paperless Employee Travel (PET) Web site and give it to their friend or family member instead of a paper pass.

Guest pass users will be able to enter the code on alaskaair.com in the discount code field. Travelers will be able to buy their ticket 30 days in advance, see approximate flight loads and prices, including their discount.

— Posted to the Web on Sept. 23

BOEING STRIKE

Machinists' walkout could disrupt aircraft deliveries, flight schedule

Depending on how long it lasts, the Boeing machinists' strike could disrupt the delivery of as many as six of Alaska's 737-800s, forcing the airline to change its fall and winter flight schedule. Aircraft production at Boeing's plants has been shut down by the strike, which began Sept. 6.

The company will continue delivering aircraft that were completed before the strike and provide customers with spare parts. Alaska Airlines had eight 737-800s scheduled for delivery by the end of the year—three in September, one in October, three in November and one in December. Two of the jets were delivered on schedule in September.

— Posted to the Web on Sept. 10

MEETING OUR GOALS

Employees score OPR payouts for reliability, customer satisfaction

Continuing a positive trend during the busy summer season, Alaska Airlines' employees again exceeded two top performance goals for July by ranking third among relevant competitors in on-time performance and achieving a record 76 percent customer satisfaction score in an online survey.

— Posted to the Web on Sept. 3



A Row 44 technician installs the new inflight WiFi system on a test aircraft.

INFLIGHT

Wireless broadband passes airborne test

An inflight test of the satellite-based broadband wireless Internet system that Alaska Airlines plans to launch was completed successfully on Sept. 16. The test was conducted by Row 44, the company that Alaska Airlines is working with on the highly-anticipated project to provide passengers with network access using Wi-Fi-enabled devices, such as laptops, PDAs, smart phones and portable gaming systems.

The system is expected to be flying in revenue service on an Alaska Airlines jet in November after receiving Federal Communications Commission approval. The plan is to install the system on all Alaska Airlines passenger aircraft (excluding the Combis)—a process that will take about six months.

— Posted to the Web on Sept. 23

BENEFITS

Benefits Betty debuts on alaskasworld.com

Benefits Betty, a column that Horizon Air employees have been enjoying and learning from since it debuted almost two years ago, is now expanding to alaskasworld.com with the merger of the Alaska and Horizon benefits departments.

The popular feature -- in which Benefits Betty employs a sassy, irreverent style -- answers questions about a range of employee benefits, including 401(k) retirement plans and health care.

— Posted to the Web on Sept. 19



Alaska Airlines dashboard

September 2008

DOT on-time performance

Goal: 80%

2008 87.8%
2007 73.3%

↑ 14.5 points

Scheduled completion rate

Goal: 99%

2008 99.5%
2007 98.7%

↑ 0.8 points

Baggage time to carousel

Average at SEA

First bag 15:04 minutes
Last bag 16:52 minutes

Mishandled baggage rate

Goal: 4 or fewer per 1,000

2008 3.6
2007 6.9

↓ 3.3 bags

Cargo shipped

Pounds of freight & mail

2008 10.2 million
2007 10.3 million

↓ 1.0%

Customer satisfaction overall OPR score

Goal: 72%

August 2008 76%
August 2007 65%

↑ 11.0 points

Load factor

2008 75.8%
2007 71.8%

↑ 4.0 points

Fuel cost

(AAG price per gallon, inc. hedging)

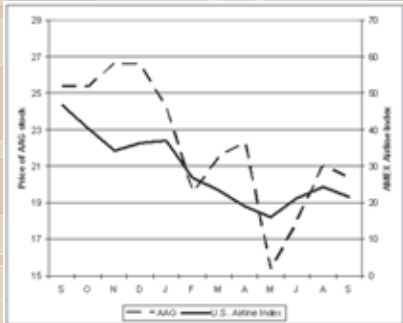
2008 \$3.31
2007 \$2.24

↑ 47.8%

OPR payouts

To be paid in Oct. \$300
Earned this year \$650

Air Group stock price



Close (Sept. 30) \$20.39
52-week range.... \$10.10 - \$28.56



Customer Service Agent Sachiko Kwon helps customers at the new Anchorage Cargo Warehouse ticket counter.

Major makeover for Anchorage cargo facility

\$1.2 million remodel offers tighter security, improved efficiency for customers and employees

By Don Conrard

Alaska Air Cargo's newly remodeled facility in Anchorage not only helps the airline comply with a new Transportation Security Administration regulation, it means better service for cargo customers.

Completed in July, phase one of a \$1.2 million project to remodel the air cargo building enhanced Alaska Airlines' ability to comply with a new TSA regulation requiring it to screen 100 percent of cargo carried on its aircraft by Oct. 1.

"All Alaska Airlines stations are now fully compliant with the new TSA regulation," says **Dave Nielsen**, manager of aviation safety for cargo.

In addition to meeting regulatory compliance, the Anchorage remodel brought the airline's cargo and Goldstreak operations in Anchorage back under one roof. Employees celebrated in August by hosting an open house and barbecue to show off their newly remodeled facility.

Until now, the two operations were housed in separate buildings about a half mile apart. Now, a single lobby offers greater convenience and efficiency for customers and Alaska's cargo operation. Customers can drop off and pick up their shipments at the same building.

The new state-of-the-art counter allows for future growth, with room for up to 14 customer service positions.

"I really like the new facility," Customer Service Agent **Barbara Grant** says. "Having cargo and Goldstreak in the same place allows us to serve our customers better."

As part of a pilot project, the TSA provided Alaska Airlines with about \$1.2 million worth of screening equipment featuring advanced X-ray technology.

"This was equipment we would have had to purchase to comply with the new cargo screening regulation, so it was a great deal for the company," says **Betsy Bacon**, director of cargo operations and com-

pliance. "With the money we saved, we were able to make much-needed renovations to our facilities."


In addition to combining general cargo and Goldstreak, building renovations included fencing off the cargo Security Identification and Display Area (SIDA) for improved security, moving the supervisor's office from the second to first floor of the warehouse, and locating the manifest office in a central area with visibility and

greatly improves coordination and communication."

When it became apparent during the remodel that the proposed screening area would be overly congested, Anchorage air cargo employees were asked for ideas on how to make better use of the space.

"They suggested we divide the warehouse into three distinct screening areas—general cargo, priority cargo and Goldstreak," Munro says. "That's exactly what we did and it's worked out very well."

Phase two of the remodel began Oct. 6. It includes a major upgrade to the air cargo building's ventilation system.

"We're installing five 90,000 cubic-foot-per-minute exhaust fans and a new automated carbon monoxide monitoring/detection system," says Project Manager **Jesse Flores**, who expects the work to be completed by the end of November. 

Goal 1: Be No. 1 in safety and compliance.

access to the warehouse and acceptance counter.

"Now, all of our cargo functions are right next to each other on the main floor," says **Mary Quantrell**, who co-manages the operation with **Jeff Munro**. "It puts everyone right in the thick of things, which



Veteran Lead Ramp Service Agent Jeff Lemon, right, talks with a PenAir employee in the recently remodeled Anchorage Cargo Warehouse. Lemon began his airline career in the facility more than 30 years ago when it was an aircraft hangar.

My Turn

Developing tourism in Mexico

Alaska Airlines has made a tremendous contribution to the development of tourism along Mexico's Pacific Coast since it began service there in November 1988.

This is especially true in the cities of Puerto Vallarta, Mazatlán, Manzanillo, Ixtapa-Zihuatanejo, Los Cabos, La Paz and Loreto in Baja California Sur. No doubt about it, Alaska Airlines now brings in more tourists and more tourist dollars, to these destinations than any other carrier.

In addition, Alaska's presence has motivated other U.S. carriers to start flying to those destinations, as well, helping to grow the economy of the region.

The airline's flights from Los Angeles to Guadalajara and Mexico City benefit the Mexican-American community in the United States, offering convenient service to these important business markets from Southern California.

While our presence in Cancún is very small compared with other carriers, we are bringing in new tourists from the state of Alaska and West Coast who may not have considered Cancún—were it not for our service.

I think Alaska has done a great job promoting these resorts and supporting the economy of those communities.

This, plus the great service provided by our Mexico employees, has earned Alaska a very good reputation throughout the country. Alaska Airlines is very well known and respected by all federal, state and local government authorities, and is considered a very serious and professional airline.

—Julian Acosta,
director general of Mexico (retired)

Strategic Goals

1. Be No. 1 in safety and compliance
2. Work together to build a diverse and inclusive company where everyone is valued, committed and connected.
3. Deliver on core operational promises: run a reliable, on-time airline.
4. Make flying easy. Provide caring service and great value to keep and win customers.
5. Generate profits that adequately compensate our investors and enable us to fund our future.

Mexico at a glance

Then and now

Mexico employees

1988 - 18 2008 - 106



Don Conrad
These Spanish colonial arches are a symbol of Puerto Vallarta.



Paul McElroy
CSAs Pedro Ozuna, Humberto Hernandez and Raul Juarez in Zihuatanejo.

Then and now

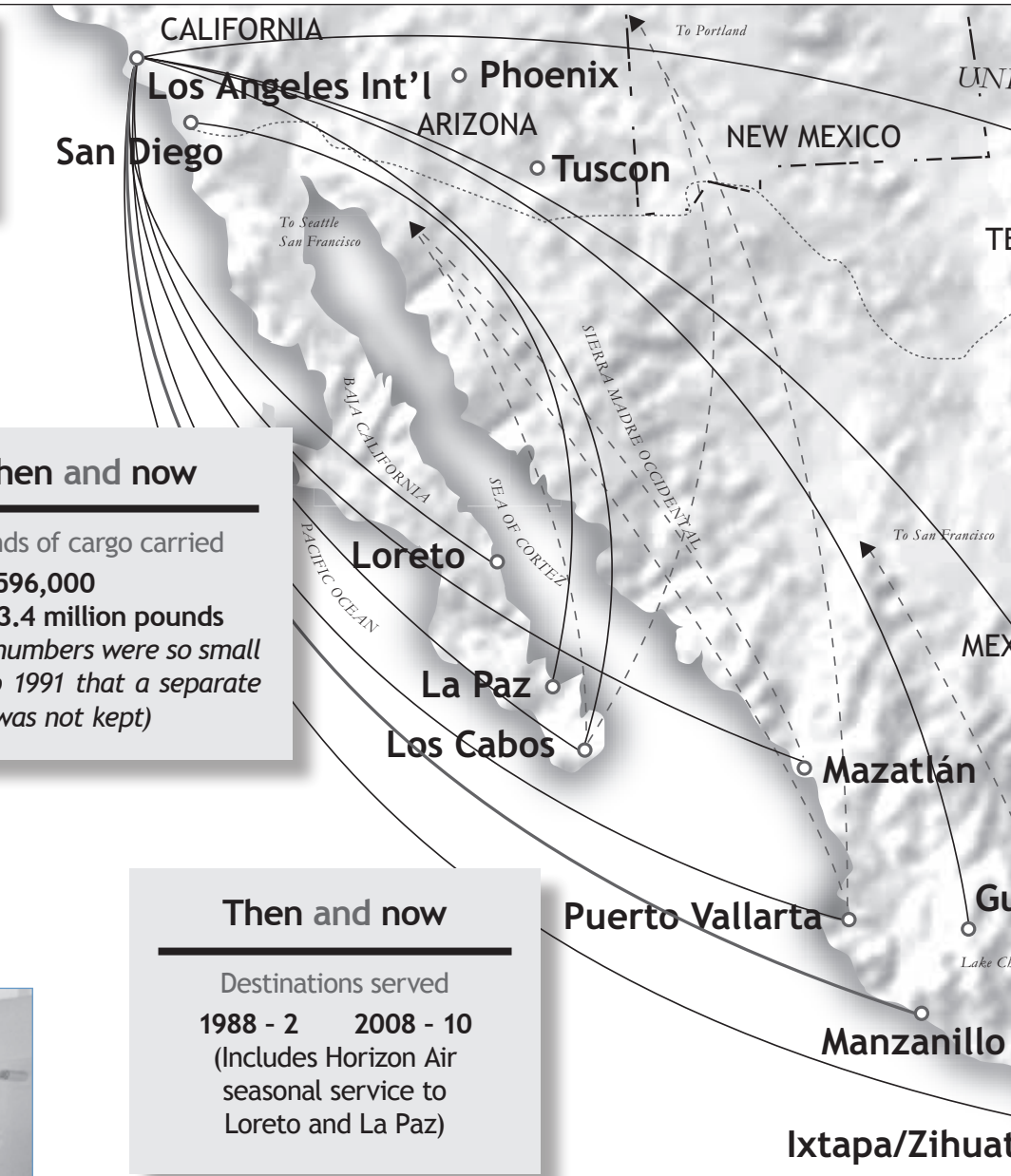
Pounds of cargo carried

1991 - 596,000
2007 - 3.4 million pounds
(Cargo numbers were so small prior to 1991 that a separate record was not kept)

Then and now

Destinations served

1988 - 2 2008 - 10
(Includes Horizon Air seasonal service to Loreto and La Paz)



Mexico's many fine beach fronts are a great place for an afternoon stroll in the sun.

Team uno

Eight employees who started their careers with Alaska Airlines when it began serving Mexico 20 years ago are still with the carrier today.

Antonio Alvarado
Customer service manager - PVR

Hometown: Puerto Vallarta

Family: Wife, Leticia; son, Antonio; daughter, Dulce; plus two children from a previous marriage.

Why I like working for Alaska: Alaska Airlines has been my university, teaching me about the airline industry and how to make our company better. I like taking care of our internal and external customers. I also like the professionalism and dedication to do good for our employees and customers.

Favorite memory: My involvement and support in launching our service to Mexico in 1987 and opening many new stations since then.

Favorite place to take out-of-town visitors: The El Eden ecological preserve at Mismaloya, where you can ride a zip line through spectacular jungle scenery like a monkey swinging through the trees and swim in a waterfall pool. Then we'd go to nearby Chico's Paradise Restaurant, where a giant palapa (deck) built on rocks overlooks the River Tuition. You can sip a margarita, hear the river flow and watch the canopy ride overhead while listening to the strum of a guitar.

Ana Lopez
Customer Service Agent - MZT

Hometown: Mazatlán

Family: Husband, Faustino Machado; and daughters, Ana Karina and Rosa Carolina.

Why I like working for Alaska: I like working in different areas of station operations, including weight and balance, the ticket counter and baggage. I also like that Alaska Airlines provides us with the best training.

Favorite memory: The 15th anniversary of service to Mexico party in Puerto Vallarta. We had a good dinner with good friends and company directors, and lots of music and dancing.

Favorite place to take out-of-town visitors: The beach at Stone Island and the Plazuela Machado. One of the oldest plazas in Mazatlán, the Plazuela Machado has the best restaurants and little shops around a picturesque square with colonial Mexican architecture.

Laura Lopez
Customer Service Manager - GDL

Hometown: Guadalajara

Family: Son, Ramon

Why I like working for Alaska: The people, my co-workers and the way Alaska Airlines lives up to its values.

Favorite memory: Shortly after I was hired by Alaska Airlines in 1987, the company flew all us new Mexico employees to Seattle for training. Every person at the corporate office greeted us with a big smile and said how happy they were to welcome some Mexicans into the Alaska Airlines family. Then-

CEO Bruce Kennedy invited us into his office and really made us feel like home. I remember that trip like it was yesterday.

Favorite place to take out-of-town visitors: Tlaquepaque. It's a small town a few kilometers from Guadalajara where you can shop for Mexican arts and crafts, especially pottery and blown glass.

Ramon Morelos
Customer Services Clerk - MEX

Hometown: Mexico City

Family: Wife, Catalina

Why I like working for Alaska: How Alaska Airlines treats us employees, and the opportunity to meet new people and make new friends.

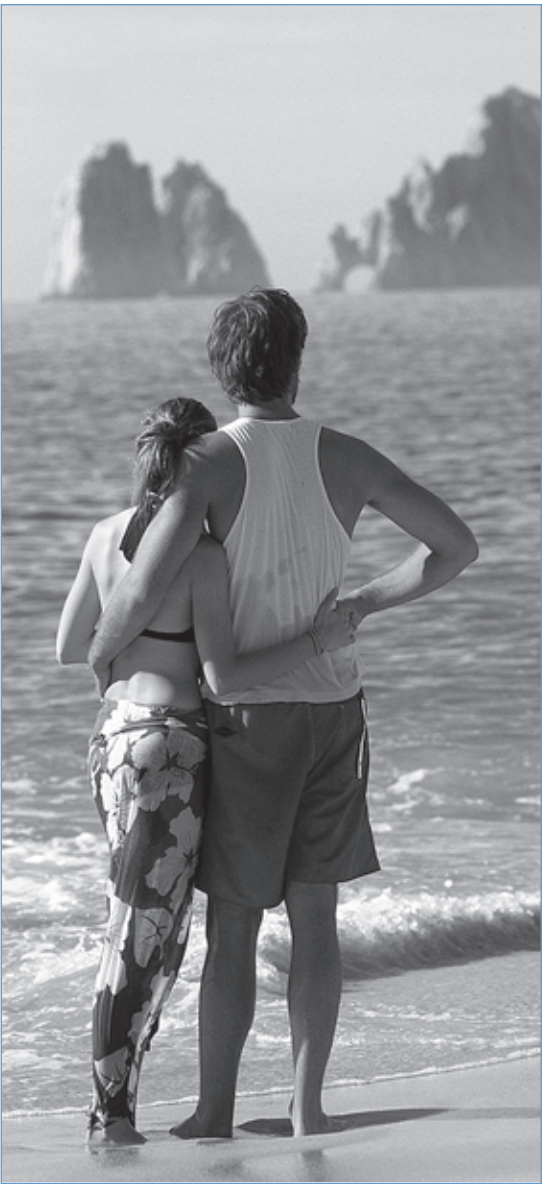
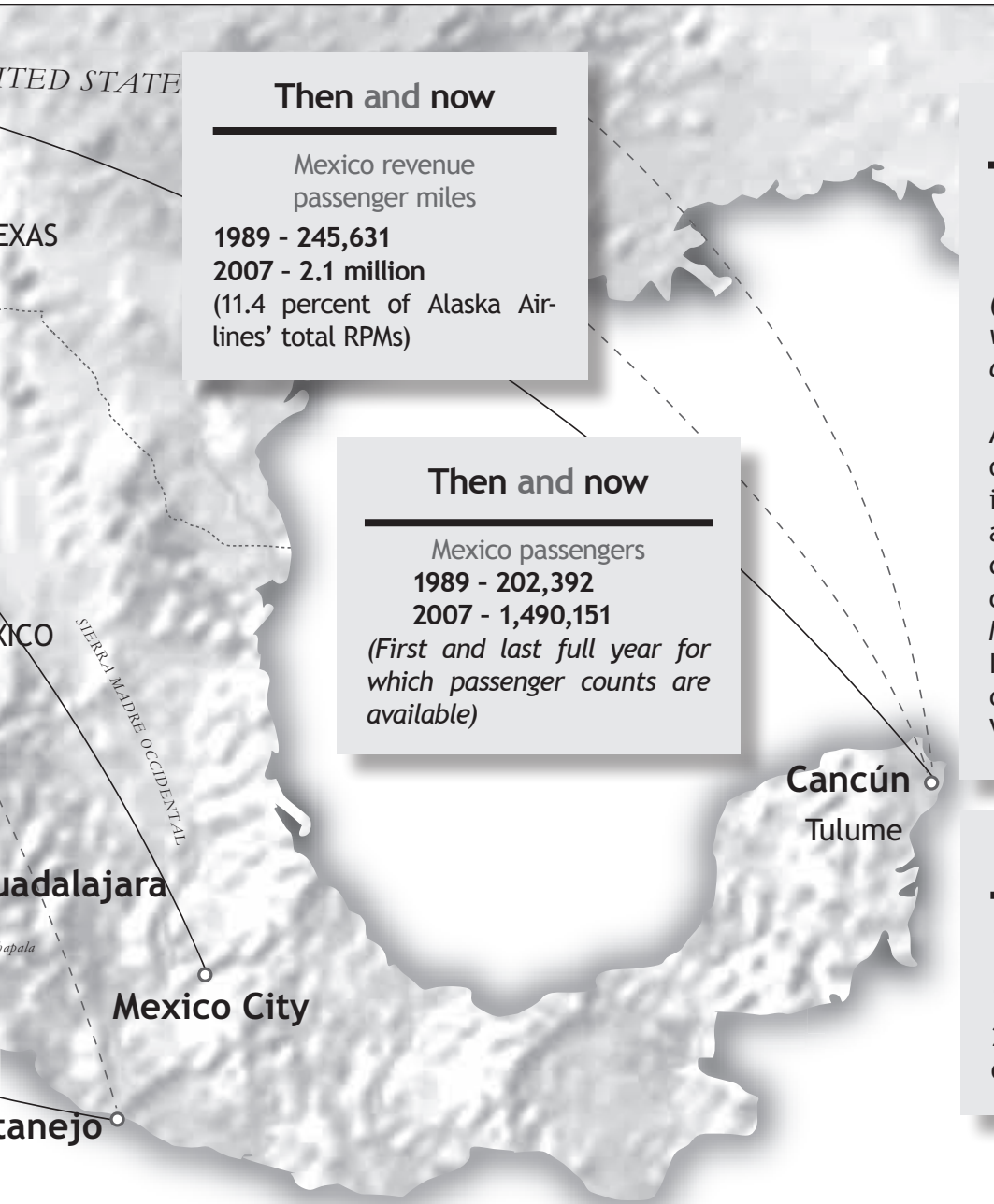
Favorite memory: The nice dinner the company hosted for all the new employees in 1993 when it first began flying to Mexico City.

Favorite place to take out-of-town visitors: I would start with a visit to the Mexican National Museum of History at Chapultepec Castle near the center of Mexico City. Then we would go three miles north of town to the Shrine of Guadalupe, where visitors can experience the deep faith of the Mexican people. Then we would watch a bullfight at Mexico City's famous Plaza de Toros, the world's largest bullring.

Marcela Perez
Customer Service Manager - ZLO

Hometown: Guadalajara

Family: Mother; four brothers; son, Alexis, 12; and daughter,



Los Cabos is a popular honeymoon destination for newlyweds.



Scott Hansen



The great Pyramid of the Sun in the ancient city of Teotihuacan is a popular tourist destination near Mexico City.

Amanda Tobin



Don Conrad

The waterfront in La Paz is lined with traditional Mexican restaurants.

Amy, 27.

Why I like working for Alaska: My co-workers. Alaska Airlines is not just my career, but my second family.

Favorite memory: I have nothing but good memories from my 20 years with Alaska Airlines.

Favorite place to take out-of-town visitors: Guadalajara and surrounding areas.

Sonia Perez
Customer Service Agent and Station Trainer - PVR

Hometown: I was born in Chicago, Illinois, but consider Puerto Vallarta my hometown because I've lived here since I was 9 years old.

Family: Husband, Roberto; daughter, Illiana; and son, Alejandro.

Why I like working for Alaska: The challenge and the daily interaction with our customers. No day is the same. There is always something new to learn from my co-workers and passengers.

Favorite memory: Several years ago, I checked in a mother and her 5-year-old daughter for a flight from Puerto Vallarta to Seattle. When I put a red SEA bag tag on the little girl's suitcase she became alarmed. She asked her mother: 'You said we were flying home to Seattle on an airplane. So why is my bag going by sea?' That brought a smile to my face. I told her Seattle's nickname was SEA, which put her at ease.

Favorite place to take out-of-town visitors: Restaurant Coco Tropical. It's family owned and right on the oceanfront in Old Town. Great food, great view of the ocean and great service. Same high quality every time you eat there.

Editor's note: Sonia Perez is the first and only Mexico employee to be named a Customer Service Legend.

Lourdes Olmos Salazar
Finance Manager - MEX

Hometown: Mexico City

Family: Son, Daniel Isaac

Why I like working for Alaska: The professionalism of Alaska Airlines and the fact that we are always moving toward new systems.

Favorite memory: The welcome I received in Seattle from then-Finance Manager Kathy Iskra and the whole Alaska Airlines Accounting Department on my first day at work. That was Nov. 21, 1988.

Favorite place to take out-of-town visitors: The cathedral and Zocalo in the center of Mexico City, the basilica and shrine of the Virgin of Guadalupe, and the ancient city of Teotihuacan to see the great pyramids.

Martha Sanchez
Customer Service Agent - PVR

Hometown: Puerto Vallarta

Family: Father and pet schnauzer, Princesa.

Why I like working for Alaska: The fact that every day is different, helping our passengers and the chance to meet many different people. I also like the ability to travel using our airline benefits.

Favorite memory: I have many great memories, but being




Paul McElroy

Seven of the eight original Mexico employees still working for Alaska Airlines received their 20-year service pins last week during a celebration in Puerto Vallarta. They are, from left, Martha Sanchez, Antonio Alvarado, Laura Lopez, Ramon Morelos, Lourdes Olmos Salazar, Ana Lopez and Sonia Perez. Not shown is Marcela Perez.

chosen from among all Mexico employees to attend the 1990 Goodwill Games between the United States and Russia tops my list.

Another is the time I was able to help a mother find the village in Mexico where her son had died. I also helped with paperwork and took the mother and the man's sister to my house to spend the night. Being able to help people in difficult situations gives me big satisfaction.

Favorite place to take out-of-town visitors: The cities of Oaxaca, Mérida and Guanajuato. 

October 2008

→

30 YEARS

Timothy Satre
Customer Service Agent/FAI

George Thomas
Ramp Service/SCC

25 YEARS

Jeffrey Anderson
Director Airport Technology/KVY

Josephine Bowie
Manager Employee Travel Service/SEA

Michael East
Captain/LAX

David Fenn
Captain/SEA

Jay Grossman
Customer Service Agent/LAX

Donna Hartman
Manager Community Relations & Corporate Giving/SEA

Mark Hesse
Captain/SEA

David Olson
Captain/SEA

Wallace Powelson
Captain/SEA

John Prindeville
Supervisor Reservations/PHX

Donna Westerlund
Supervisor Customer Service/PDX

20 YEARS

Martin Baerny
Stores Agent/SEA

Stacey Bobek
Customer Service Agent/DEN

Charles Gordon
Ramp Service/JNU

Nils Gunther
Captain/SEA

Gregory Hage
Flit. Ops. Director of Planning and Resouce Allocation/SEA

Maria Koenig
Corporate Communications Coordinator/SEA

Wendy Larsen
Customer Service Agent — Air Freight/JNU

Leigh Monsrud
Operations Agent/PDX

Tina Nemith
Yield Management Analyst/SEA

Gregory Nettleton
Captain/SEA

Karin Pfaeltzer-Lopes
Flight Attendant/SEA

Roger Sunderlin
Captain/SEA

15 YEARS

Duane Davis
Field Systems Specialist/SEA

Thomas Richards
Managing Director Benefits/SEA

Karen Wetch
Lead Customer Service Agent/PHX

10 YEARS

Edwin Adams
Lead Reservations Sales Agent/PHX

Tracey Albright
Flight Attendant/PDX

Richard Bacon
First Officer/SEA

Ann Baker
Reservations Sales Agent/KVY

David Beck
Flight Attendant/SEA

Cassandra Bennett
Flight Attendant/ANC

Glenn Brady
First Officer/SEA

Ronald Bray
Inspector/YXX

Larry Burke
Reservations Sales Agent/KVY

Karen Clutts
Accounting Specialist/SEA

Aileen Cronin
Managing Director Privacy, Security & Fraud/Associate General Counsel/SEA

Edina Dande
Product Development Manager/SEA

Roberta Denney
Flight Attendant/SEA

Michael Dunn
Manager Operations Support/SEA

Judie Green
Customer Service Agent/SFO

Araceli Guerrero
Customer Service Agent Mexico/PVR

Claudia Hartley
Flight Attendant/LAX

Lena Henry
Flight Attendant/SEA

Trevor Hill
Captain/ANC

Amelia Ingram
Reservations Sales Agent/KVY

Douglas Kelley
AAG Project Mgr. /SEA

Cherie Koont
Lead Reservations Sales Agent/PHX

Norleen Koponen
Customer Service Agent/SEA

Judy Kullman
Project Manager/SEA

Patrick Leahy
Line Aircraft Technician/SEA

Lorraine Lobo
Customer Service Agent/SFO

James Logan
Supervisor Line Maintenance/SEA

Grace Marcos-Messerle
Accounting Specialist/SEA

Jeannie Mclrvin
Flight Attendant/ANC

Josh McMurdie
Field Systems Specialist/SEA

Eugenia Mercer
Reservations Sales Agent/KVY

Timothy Mesjak
First Officer/LAX

Karen Millsap
Accounting Specialist/SEA

Larry Mitchell
Line Aircraft Technician/LAS

Anita Nemeth
Human Resources Coordinator/KVY

Thao Nguyen
Accounting Specialist/SEA

Jacqueline Nygaard
Flight Attendant/SEA

Daniel O’Scannell
Flight Attendant/ANC

Katrina Reed
Lead Customer Service Agent/PSP

James Russell
Lead Line Aircraft Technician/SEA

Michael Scarano
First Officer/SEA

Erik Seiffert
First Officer/SEA

Jeffrey Severns
First Officer/SEA

Scot Sherbert
Engineer/SEA

Deborah Shipley
Leadership Trainer/SEA

Brian Sparks
Aircraft Technician/SEA

Deborah Stinson
Customer Service Agent/PHX

Scott Strickland
Flight Attendant/PDX

Timothy Swint
Customer Service Agent/SAN

Scott Thomas
First Officer/SEA

Sonya Tobeck
Flight Attendant/SEA

Leslie Tucker
Flight Attendant/SEA

Paul Typpi
First Officer/SEA

Deborah Wallstrom
Flight Attendant/LAX

Brian Weber
Manager IT Field Systems/PHX

Leslie Westbrook
Customer Service Agent/LAS

Allen Weymiller
Customer Care Specialist/SEA

Cindy Willis
Flight Attendant/SEA

William Wittenfeld
First Officer/SEA

Jeremias Zavaleta
Line Inspector/SEA

5 YEARS

Nathan Adams
Customer Service Agent/LAX

Patricia Chavey
Reservations Sales Agent/KVY

Dawn Doyle
Recruitment System Specialist/KVY

Cherie Ellis
Reservations Sales Agent/BOI

Robbyn Freeman
Reservations Sales Agent/BOI

Susan Gaston
Reservations Sales Agent/BOI

Linda Getty
Customer Care Representative/SEA

Brian Good
First Officer/SEA

Kathleen Hernandez
Customer Care Representative/SEA

Marilyn Hunt
Reservations Sales Agent/BOI

Irene Kachlic
Reservations Sales Agent/KVY

Stephanie Lorenz
Interaction Designer II/SEA

Ruth McAuliffe
Customer Service Agent/SEA

Tatyana Mulyarchuk
Customer Service Agent/SEA

Michael Parker
First Officer/ANC

Sue Pearl
Reservations Sales Agent/BOI

Thomas Richardson
Manager Inflight Crew Scheduling/SEA

Cristen Stauffer
Reservations Sales Agent/BOI

Linda Wortman
Supervisor Reservations/KVY

EAF and its beneficiaries say ‘thanks’ for your donations

The board of directors and staff of the Alaska Airlines Employee Assistance Fund would like to thank each and every employee who gives to the EAF, whether it’s through payroll deduction or participating in any of our fundraising efforts.

With your donations, here’s how the EAF was able to help your co-workers from June 2007 through June 2008: paid COBRA medical insurance for 71 employees; utility payments for 143; rent or mortgage for 160; and medical bills for 55. In addition, the EAF paid 62 car payments and 34 car insurance premiums. We also issued many gift cards to Safeway and Fred Meyer.

In some instances, financial assistance was necessary for more than just one month, depending on the employee’s situation. With your support, these people were able to get back on their feet and eventually return to work.

Here are a few excerpts from the many thank-you notes we have received:

“Words will never express the gratitude my family has for your help. These last couple of months have been very difficult for us. To not have to worry about finances was one saving grace. We were able to concentrate on what really mattered — our family.”
— Customer service agent

“I cannot thank you enough for all the help you have provided for our family during this time. You have truly been a blessing. I pray for you and your company’s continued

success. It is difficult to find the words that adequately express our gratitude, for we truly are overwhelmed with your generosity and kindness. It definitely has been an answer to our prayers.”
— Flight attendant

“I am Tom’s wife. You may be familiar with him as this is the second time he has been a recipient of the fund’s assistance. The first time he had non-Hodgkin’s lymphoma in his jaw. The second time his mitral heart valve was failing, possibly related to having undergone chemotherapy for the cancer. Physically, he has come through both beautifully. Financially, you guys have. How do you say thank you for not once, but twice helping us through?

“You can’t, really — especially in a letter. I am very grateful for all you have given us. It’s hard to have your chest cut open (not once, but twice). All would have been harder had he not had a home to come home to. You made that possible. Thank you.”
— First officer

“I just want to say again how very, very grateful I am to you guys. I really would not be able to make it without your help and just know I will return the gifts of kindness in helping others as soon as I get on my feet. I am really proud to be a part of the Alaska family.”
— Flight attendant

Warmest regards,
The board of directors and employees of the Alaska Airlines Employee Assistance Fund



Coming Up

| | |
|--------------------|---|
| Thu, Oct 23 | AAG Q3 Earnings Announced |
| Sun, Oct 26 | Seattle-Mpls./St. Paul Service Begins |
| Wed, Oct 27 | SEA Holiday Party Ticket Sales Begin |
| Wed, Oct 29 | M&E Tour / Seattle Hangar |
| Fri, Oct 31 | Anchorage-Maui Service Begins |
| Mon-Fri, Nov 3-7 | Flu Shots / Seattle |
| Tue, Nov 4 | Election Day |
| Wed, Nov. 5 | Flu Shots / Portland |
| Tue, Nov. 11 | Veterans Day |
| Mon, Nov 17 | Seattle-Kona Service Begins |
| Wed, Nov 19 | Blood Drive/Seattle Hangar |
| Wed, Nov 19 | M&E Tour / Seattle Hangar |
| Thu, Nov 20 | Holiday Craft Bazaar / Gold Coast Center |
| Thu-Fri, Nov 27-28 | Thanksgiving |
| Wed. Dec 3 | Holiday Shopping / Corporate Office |
| Sat, Dec 6 | Children's Holiday Party / ANC Hangar |
| Sat, Dec 6 | Children's Holiday Party / Seattle Hangar |
| Sat, Dec 10 | Blood Drive / Seattle |
| Wed, Dec 17 | M&E Tour / Seattle Hangar |
| Thu, Dec 18 | Employee Reception / Corporate Office |
| Thu, Dec 25 | Christmas |
| Thu, Jan 1 | New Year's Day |
| Tue, Feb 3 | Blood Drive / Seattle Hangar |

For more info on these events, click 'Employee event calendar' on the aw.com home page



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Alaska's mad dash to Mexico in 1988

How Alaska Airlines scrambled to launch service in six weeks

By Don Conrard

On Oct. 5, 1988, the Department of Transportation granted Alaska Airlines authority to begin service between San Francisco and Mazatlán and Puerto Vallarta. The decision followed the first new bilateral agreement between the two countries in 16 years, which opened dozens of new routes between the United States and Mexico.

Then-Vice President of Marketing **Bill McKnight** hailed the news as “tremendously exciting” for Alaska. “It’s a dramatic departure from the tradition of Alaska Airlines, yet consistent with our overall strategy to serve the West Coast.”

DOT rules required the carrier to start service by Nov. 15, less than six weeks from the granting of route authority. And that presented a problem.

Although Alaska Airlines had begun planning for the launch of Mexico service five months earlier, “we still had no idea how to serve an international destination,” said **Marvin Van Horn**, who was hastily pulled from his job managing codeshare partners and mail contracts in the state of Alaska to coordinate the launch of Mexico service. “We didn’t even know that our aircraft would need a ‘general declaration’ to get into Mexico. Fact is, we didn’t even know what one looked like.”

With time running short, Alaska turned to **Julian Acosta** for help. A consultant and airline veteran, he was hired as Alaska’s director general for Mexico.

“Julian was absolutely key to getting our Mexico operation up and running,” Van Horn said. “He demonstrated himself to be a man of action, integrity and follow-through, who is well respected by aviation and government authorities in Mexico. But most of all, he knows the ropes.”

Van Horn and Acosta formed a team of 13 “can-do” people representing every division. Among them was **Kit Cooper**, who eventually became the airline’s regional director for international operations.

The team quickly developed a 27-page list of more than 500 tasks that needed to be done before service could begin. They ranged from legal issues to marketing plans and hiring procedures to obtaining airport space. And, of course, overcoming language difficulties.



Julian Acosta, left, and Bruce Kennedy, center, receive a warm welcome from an official in Mazatlan following the arrival of Alaska Airlines inaugural flight in 1988.

During the next few weeks, the group set up a subsidiary company in Mexico, acquired airport facilities in each city, created forms, had phone lines installed and more.

“It was the most complex job I have ever undertaken,” Van Horn said. “There were days when we worked past midnight.”

Simply transporting office supplies and equipment to Mexico posed one of the biggest challenges.

“We asked employees traveling there to carry paper, pencils, and other office supplies as checked luggage,” Van Horn said. “Facilities even designed wood ticket counter inserts that fit inside a suitcase.”

While all of this was going on, Alaska Airlines began recruiting Mexican citizens to staff the two stations.

“The response was overwhelming,” Van Horn said. “We had hundreds of applications.”

Twenty years later, eight of the original Mexico employees are still with the company (see pages 4-5).

And there were other challenges.

“Our computers weren’t installed before the inaugural, so we had to operate for several months with a fax machine,” Van Horn said. “Our agents in Mexico would check in passengers by writing their name on a sheet of paper. Then they would fax the manifest to San Francisco, where the

names were entered into the reservations system.”

In Mazatlán, Alaska was unable to obtain office or backroom space.

“So we set up an office in the El Cid hotel—10 miles from the airport,” Van Horn said. “Then we would shuttle back and forth in a van with all the paperwork needed to work the flight.”

Thanks to their efforts, the inaugural flight to Mazatlan took place on Nov. 15, followed by Puerto Vallarta the next day.

“I was at the airport to welcome the inaugural flight to Puerto Vallarta,” said **Antonio Alvarado**, who still serves as customer service manager in the Mexican resort city. “A number of dignitaries were onboard, including CEO **Bruce Kennedy**. They were met by a mariachi band and many local dignitaries.

Vecci commented shortly after the inaugural: “The implementation of service to Mexico is an example of the ability of our employees from all areas and at all levels to reach for ever greater heights in achieving large, complex undertakings.”

Van Horn, Acosta, Cooper and others who pulled off a minor miracle in six short weeks two decades ago have all since retired or left the company. They left a legacy of an important new market for Alaska Airlines and a popular destination for employees and their families. **JF**

Mexico now an integral part of Alaska route system

Continued from Page One



so unbalanced that Alaska went through the expensive process of acquiring aircraft in the spring each year and disposing of them in the fall. Mexico offered the perfect counter-seasonal destination.

This led then-Chief Operating Officer and later CEO **Ray Vecci** to describe Mexico as “a place to warehouse aircraft in the winter.”

While Mexico routes continue to complement the seasonality of the rest of Alaska’s route network, they are important for other reasons as well.

“Mexico enhances our ability to attract more customers,” says **John MacLeod**, managing director of revenue management. “With Mexico and now Hawaii, we are able to attract more travelers to Alaska and Horizon business routes because these

same customers are also interested in traveling to popular leisure destinations.”

Recent Mexico capacity reductions by Alaska and competitor airlines has resulted in significant improvements in load factors and fares. “It’s because of our great customer service and marketing efforts that we have been able to defend our Mexico markets against competitive incursions in this area,” said MacLeod.

In the final analysis, Alaska’s success in Mexico owes much to the hard work and outstanding customer service provided by the airline’s employees there.

“The same smiling faces and caring service enjoyed by customers in the U.S. for 76 years can now be found in Mexico,” Jarvis says. “Our Mexico employees can be proud of the contribution they’ve made to the growth of their local economies and the success of Alaska Airlines over the past two decades.” **JF**



Sun and fun destinations like Los Cabos help balance Alaska Airlines revenue stream during the winter.

Key information

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