

Alaska Airlines Day

KIRK SHULTZ: It's my really sincere pleasure to welcome the entire executive team that's here from Alaska Airlines. And let's give them a big round of applause for taking so much time.

[APPLAUSE]

So it gives me great pleasure to welcome Alaska Air group's Chairman, President and CEO Brad Tilden this morning. In addition to being CEO, Brad holds a commercial pilot's license. And, as a matter of fact, as soon as he's done from this, he'll go out to the airport and get on his airplane and fly back to Seattle.

He's been with the airline 27 years, previously serving as Alaska's president, executive vice president of finance, CFO, and corporate controller. Before joining Alaska, Brad spent eight years with accounting firm Price Waterhouse in both Seattle and Australia.

Alaska Airlines and Horizon Air combine to make Alaska the fifth largest airline in the US. The airline's fleet of 280 aircraft take guests to 115 destinations throughout the United States, Canada, Mexico, and Costa Rica.

Brad leads a team of 23,000 employees who provide hands down the best customer service in the business. Under his leadership, Alaska has focused on safety and on-time performance, low fares, and creating an airline people love.

Alaska has received a number of accolades including the JD Power highest in customer satisfaction among traditional carriers in North America for 11 years in a row. Leading on time performance. Number one in airline quality rating for 2016 and 2017. Number one in fuel efficiency among all major airlines. And Forbes ranked Alaska Air group number five in its first annual 50 most engaged companies list.

Brad himself was ranked 22nd among the top 50 corporate leaders in America by Fortune magazine. He was also named one of the top 25 most influential business travel executives by Business Travel News. He also holds a bachelor's degree from Pacific Lutheran University and an MBA from another university in the state that we won't mention.

[LAUGHTER]

So an MBA from the University of Washington. Is on the boards of Nordstrom and the Seattle Chamber of Commerce, among other board affiliations. Please join me in giving a big Coug welcome to Alaska Air Group's Brad Tilden.

[APPLAUSE]

BRAD TILDEN: I appreciate it very much. Thank you, Dr. Schultz. I appreciate that. It's fantastic to be with you all this morning. Congrats on the big win on Saturday. That was fun.

I did go to Pacific Lutheran University. I was really proud to do that. But I think I would have been a good Cougar. This is a special place. I've had the chance to come back several times in the last 10 or 15 years, and I'm always really impressed with the spirit. The spirit of people that are here, the spirit of Cougars. Cougar Nation once you leave here. It's just an incredible group of people.

And you guys do so much. You do so much. We worked with you on sustainable fuels, on biofuels. You do a lot for the environment. You do a lot for education. I think the world is all about education and bringing the next generation along, and this school has done a fantastic job of obviously all of you, but bringing in economically disadvantaged folks. Making sure they get a chance to get a good college education.

So everything I know about WSU is fantastic. Congrats to you all. And what they asked me to do is maybe tell a little bit of my own story. Talk about our company a little bit. And then we're going to get this over with quickly because what we really want to do is interact with you. We want to hear what's on your mind.

And I sort of want to tell you now that you can ask any question. There's a lot of people here you. You can ask about the size of the overhead bins. You can ask about the timing of our Pullman flights. You can ask about the Pullman Airport closure next September. You can ask about the mileage plan. Ann will answer those questions.

Our industry is interesting. A lot of airlines have filed for bankruptcy. It's been a very challenging industry. You can talk about that. Honestly, we love the business and would love for you to engage on anything that interests you.

Let me get to know you guys. Who's going to graduate? Who's a senior this year? Congrats to all of you guys. How about juniors? Nice. So two years left you. How about sophomores? And how about the freshmen? Are they're freshmen here? Very good.

Well, welcome to all of you guys. It really is our honor to be here. I'm going to give you my story in two minutes just because I bet you're not all that interested in it. But I grew up at the-- I went to Highline High School, which is right next to SeaTac Airport.

And a story I sometimes tell people is SeaTac used to have two runways, not three. And where that third runway is there used to be a park. And kids at Highline High School would go up to that park at lunch, and they'd go up there with their girlfriends to watch airplanes.

[LAUGHTER]

And I didn't have a girlfriend, so I went up there and watched airplanes.

[LAUGHTER]

So I actually got something out of that program. And they did not. But there's a runway there now. But honestly, I do remember going there as a kid and seeing Alaska Eskimos landing. And I bet at that point in my life I'd been on two flights in my life.

And as an 18-year-old 16, 17, 18-year-old, air travel was different then. And I did always sort of wonder about the magic of flight and where those airplanes were coming from, where they were going, what the people on them were doing. And it just always had an allure.

I got really lucky. I happened to meet a guy that was chief executive of Alaska Airlines at a Boy Scout camp, like, now it would be 40 years ago or something like that. And he didn't remember me for Adam, but it was another thing that sort of made an impression on you, you know?

It's like-- and this was Bruce Kennedy-- it's just like now I have a reason to read about Alaska Airlines stories. Anyway, then I went to PLU. I actually did go learn to fly when I was 18. I went to PLU.

And this is how young people think. I wanted to be a pilot. So hopefully you'll ask me my career advice. I wanted to be a pilot, but I thought nobody would ever hire me to be a pilot. That'd be like winning the lottery. So I went and became an accountant. And then I actually joined Alaska as an accountant. That's how I actually came into Alaska Airlines.

And I've been there for 27 years. I've worked a lot with people. I've worked a lot with our labor unions, helping them see the value of running an enterprise that works for everybody. It works for the owners of the business, for the customers, for our employees, for our communities.

I've worked on what airplanes we fly and where we fly them. I've had different job titles. It doesn't feel like my job has changed all that much in the years. I am honored-- the leadership team at Alaska Airlines is the best leadership team in the industry. There's no doubt in my mind about that.

You're going to hear from Charu Jain, who is our chief information officer. So anybody out there who wants an IT job should talk to Charu. Ann Ardizonne runs procurement. So we buy I don't know how much stuff, but I would guess billions of dollars worth of stuff a year, and Ann manages all of that.

Ann has also had a big career in finance and in marketing. She's the one that really grew our mileage plan into an industry leading mileage plan. Our credit card program-- she grew that. And then Diana Birkett Rakow runs external relations for us. And then we've actually got lots of other folks in the audience that I bet you can't stump us today. But I hope you try.

So anyway, that's a little bit of an intro. I'm going to show you a couple slides here. If we can figure out how to make these guys work. What if I just push an arrow? We think that'll-- there we go. I love Route Maps. OK? I love route maps. That's our route map.

You can see we have a big hub in Seattle. A big hub in Portland. With our recent merger with Virgin America, we have much bigger hubs in San Francisco, San Jose. It says LA area. I would say LAX is big, Burbank is big, Orange County is big, and then San Diego.

We fly into Mexico. As of the last decade, we fly a ton to Hawaii. Something like 30 flights a day to Hawaii. It's really fun to go to our Ops Center. Those are long flights. Just watch the airplanes out over the Pacific either going or coming. It's sort of like an aerial armada. It's fun to watch. And then we fly-- the state of Alaska is up on the left. And then we've also got a ton of co-chair partners which we can connect you to. We don't show all of that here.

We are the fifth largest airline, but that's deceiving. We might have been-- at the time of deregulation, I know we were the 26th largest airline. That was 40 years ago. So we are growing. But we're still one fifth the size of United, American, and Delta. So we're about an \$8 billion company, but we think of ourselves as very small, and we think of ourselves as having really fierce competitors, big competitors.

That's that one. Our big idea here is to create an airline that people love. That's our purpose. And a lot of times-- are some of your customers? Are some of you on our mileage plan? Do you guys like flying Alaska?

A lot of times when we go to a party-- and maybe a couple of you guys will come to work at Alaska-- a lot of times when we go to a party and people say where do you work, we say we work at Alaska Airlines. And they hopefully say, I love Alaska Airlines.

And we've all had that experience throughout our careers. And we really wanted to sort of embed that in our purpose statement because airlines, people don't always love. I mean there's lots of things. There's a lot of tension. There's a lot of stress. There's lots of things that actually can go wrong with a flight.

But if you can create an airline that people love, that's going to be a pretty powerful competitive advantage. So that's what we're all about. We actually borrowed this purpose statement from Virgin America. That's when we merged with them. It was December of 2016 when it became legal. And this was their purpose statement, and we loved it. And we just adopted it.

These are our values. And our officers got together for a planning session a couple of weeks ago, and they sort of got on me a little bit for not talking about our values enough, and not saying, what's your name? Molly. Hey, Molly. You were really remarkable with what you just did.

And I told them, you know, sometimes I feel like I trivialize our values if I talk about them too much like that. But this is Alaska Airlines. These values. They are real. I'm not going to look behind me, but the first one says own safety. Super, super important. There is nothing more important for an airline than operating each flight safely.

People forget it. Air travel is so extraordinarily safe. People forget all the many, many things that can go wrong with a flight, and we remind our people at every opportunity. We never compromise money. If a part needs replaced, we replace it. If pilots need new equipment on the flight deck-- where's Ron Limes?

Here's Ron. We have the best flight decks in the world on our airplanes. If Ron need something on the flight deck to be aware of terrain or weather or whatever it might be, we get it. There's no compromising at all.

The second one is do the right thing. It's-- maybe you'll have questions. I don't want to get too super deep into it now. But I will say that early in my career, all of my stresses were, did I actually learn enough in accounting at PLU, and do I know where the debit goes and where the credit goes? But as your career progresses, those problems go away. And it's more do the right thing is the learnings that you need to remember.

The third one is be kind hearted, which I think really represents our people. The fourth one is deliver performance. The fifth one is be remarkable. I might have fourth and fifth in the wrong order, but those are the values of the company. If you have questions,

I think they really epitomize who our people are. They're not something that we made up and said let's move here. Those are the values of the people of Alaska Airlines, and I'm really, really proud to be a part of that team.

With that, I think I'm turning it over. Maybe the next one. I'm doing this one, Ann?

ANN ARDIZONNE: Yeah.

BRAD TILDEN: OK. This is just to say that we're top 20 in safety worldwide. I'm personally not-- I think safety is not something you compete on that much. For what I was just saying earlier, if American Airlines ever calls us and says we want to send a team up and we want to copy every single thing you're doing, we'll say come. We'll say open up, come. You can imitate every single thing.

But we do want to be the very, very best that we can be in safety and compliance. With that, I think I'm turning this over to Ann.

ANN ARDIZONNE: Thanks, Brad.

BRAD TILDEN: And is a Coug. Her son's a Coug.

[APPLAUSE]

ANN ARDIZONNE: Good morning. It's so fun to be here. You know, back in, gosh, it was probably 1976 when I was still in high school and you go around to all colleges and see what's the place that's going to fit you. And I'll never forget coming to the campus here.

And I knew immediately. I didn't even have to look at any other schools. This is the right place for me. And I had a fantastic four years here. And I was really able to put my education to use at Alaska Airlines, and I'm thankful for that.

And I felt much the same about Alaska Airlines. When I was going to school here, I worked at Alaska during the summer. And at some point, it was I just need to be a part of Alaska Airlines.

So I want to talk to you today about do the right thing, which is about integrity, which is, of course, one of our values. And one of the things that makes Alaska what it is really its culture. And it's something we've been able to hang on really well over the years. And it's going to be important for us to hang onto that culture moving forward.

But I think integrity is a super important part of that. And I always say that if you come to Alaska Airlines, you'll notice that we're very nice. We're a nice group. We have fun at work. It's interesting work.

But you also know that the culture is the first thing that will boot somebody out of the company. And as nice as it is, it's almost unspoken. And I think integrity has an awful lot to do with that. So it's about being ethical, open, trustworthy, and I see that in all areas of the company, and it's something we're super proud of.

Fuel efficiency is also what I want to talk to you about. As Brad mentioned, we are number one in fuel efficiency. We have the youngest, most fuel efficient fleet out of the 13 US airlines, which is quite an accomplishment.

A lot of that is attributed, of course, to our fantastic Boeing fleet. And now, of course, with the acquisition of Virgin America, we're bringing the Airbus. And the A320neo, of course, is an incredibly fuel efficient fleet.

AUDIENCE: [INAUDIBLE]

ANN ARDIZONNE: Oh, I'm sorry. Thank you. Were you able to hear any of what I said earlier?

[LAUGHTER]

So with our fleet in the future, we also will be having the MAX aircraft join the Alaska fleet. And that's going to happen starting next summer. And both the MAX and the NEO have the new

leap engine. And that is about 13% more efficient with fuel. So that's something for us to look forward to.

And I think with that, I'm going to go ahead and turn it over to Diana who's going to talk to you about kindhearted.

DIANA BIRKETT RAKOW: Thanks, Ann. All right. Does that work? There we go. So as Brad said, I'm Diana Birkett Rakow. I lead external relations, which includes communications-- I think some of you guys might have come out of a comms class just a couple minutes ago-- government affairs, community relations, and sustainability.

And I've worked in government and nonprofits and in business, and I have a soft spot for places where you can really feel like you're part of something. I feel that at Alaska, and I really feel that here at WSU. And I think there's probably a lot of these values that we hold in common and sort of a spirit that we share. I am not a Cougar, but hopefully with this sweatshirt I can become an honorary one.

So I wanted to just talk a little bit about being kind hearted. For us, that extends both in terms of how we work with people in reservations, how we deal with customer issues or changes that come up, how we treat people on board, make everybody feel included and safe and at home on board our airplanes.

But it also includes how we think about how we interact in the world outside in the community. And for all the places that we live and fly. As many of you know, we were sort of born in Alaska. And Brad asked me to go up there immediately when I started at Alaska, and I did on my second day.

And I absolutely appreciated why. Because you go to cargo, and there's groceries and mail that are going to the Arctic and to Kotzebue, and to Southeast Alaska. People are traveling for health care.

We were called while I was in the cargo office to transport the remains of a little girl that had died tragically and very sadly. And we really are the community up there. And it was sort of no more profound than in those interactions.

And we have employees that live everywhere. And so we think of those places not just as the places that we serve but the places that are our homes. And we feel responsible for actually making sure that we're taking care of our people, our guests, and everybody around us.

One way that that takes life is actually using our flying, our major asset, to do good. And that include some of the things I talked about like bypass mail in Alaska, like making sure that people who can't afford to travel for health care through organizations like Angel Flight West.

But that also includes responding to communities that are in need that have been struck by natural disaster. So things like in just even the last couple of months, Hurricane Florence out in North Carolina. The volcano eruption out in Hawaii. Sometimes those affect our employees, but sometimes they just affect the communities.

And we do that in large part-- no man is an island; no company is an island-- We do that with a lot of partners, like Airlink or the Red Cross, who have the resources maybe out on the ground but need to get people there, need to get supplies out there.

And we also have some of our employees that volunteer. Recently we had one of our flight attendants, a woman named Sil Wong Underwood, who volunteers with Impact Northwest. And she was actually traveling with her crew out to North Carolina to make sure that folks were getting the resources that they need, and getting to shelters, and getting back to their homes.

So that's just a little bit of how we live that value in the community and also inside our operation. And I will be back up here in a minute. But first I'm going to turn it over to Charu to talk a little bit about innovation and technology.

CHARU JAIN: Thank you.

DIANA BIRKETT RAKOW: Oh, you've got one.

CHARU JAIN: Good morning, everyone. I'm really excited to be here. I love university towns. I love to feed off the energy and the creativity you all bring. I'm relatively new to Alaska team, but I've been in airlines and technology my whole career.

And being outside of Alaska, Alaska was always very much respected in the airline industry as that airline that everybody wants to be, whether it's the cost structure or the employees or the culture of the company. So when I was given the opportunity to join the Alaska team, I was very honored and very excited to be part of the team and be here today.

So I want to talk to you about deliver performance. And we look at that across all our guests. How do we deliver performance to our guests, to our employees, for operational reliability? And then obviously, to our shareholders from a financial point of view.

I'll talk a little bit about our guests today. So we have had, Alaska's had an history of innovation our whole life. So we were the first to sell tickets on the internet. The first to put kiosks at the airport. The first to offer internet on the planes.

And so we don't just stop there. We continue on that spirit today. And we now have mobile devices. We were the first to give all our front line employees mobile devices. So we have 20,000 mobile devices.

And what that does is it actually enables our employees to have information at their fingertips. And they're able to get away from the podium and get out and talk to people. And so we're very excited about that.

And we've also looked at the cost side of it, and we have standardized on one platform so that we can simplify. And then our employees have one set of tools that they can use.

We also want to make sure we're talking to our guests the way they want to interact with us. So texting is big. You guys all know that. And we were actually getting a lot of texts to our reservations number, but we weren't answering them. So we've just started a texting service now, and we get about 400 to 500 a day that we're interacting with our guests over text now.

Similarly, our social care team is awesome. They're 24 by 7. They want to make sure that they're helping you in the moment, right? When things happen, they want to resolve for you quickly. And they I think do, like, 500 to 600 responses a day with our guests.

So a lot of great stuff. And then lastly, I want to talk about something. So I'm sure as you're driving around you look-- you know, you're stuck in traffic and you think, well, there's got to be a better way to get around this traffic.

Well, our pilots do the same when they're in the air. And just as Waze and Google Maps is able to give you a different things, different ways to get around traffic, we're actually partnering with NASA on a technology that allows our pilots to, in the air, look at different options of taking flights and the flight path.

And what that does is it saves fuel, which is one of our biggest costs, but it also saves time. So as a guest, you're wanting to get somewhere. You get there faster.

So these are all very simple ways where we're delivering performance for low cost, low fares. Creating an airline people love. And with that, I'm going to turn it over to Diana so she can talk about how we create the remarkable and the wow.

DIANA BIRKETT RAKOW: Thanks, Charu. All right. One more value, and then we're going to get to your questions. So the last value is be remarkable. And the way this one comes to life is again in a number of different ways.

But we want [AUDIO OUT] with a wonderful, positive impression, and be an experience and a company that sticks with you. And we want to inspire and empower others to be remarkable outside of Alaska as well.

So we give back in a number of different ways, but one of the things that we really hold strong is investing in strong communities. And we invest with our resources, with our voice in the way we talk about issues, and we also invest with our business. So things like using our flight, as I

talked about. Donating miles. Asking our guests to donate miles and providing a forum for folks who want to donate their miles to a variety of different organizations.

And one of the places where we have invested most significantly over the last number of years is in young people, and making sure that young people from all backgrounds, no matter where you come from, have the opportunity to see different paths, to experience different things. To think about being a pilot, even if that's not something that you would have come across younger or earlier in your life, and actually see a path to achieving that.

And there's a number of different organizations that we partner with. We have a fantastic event that some of you guys should come to some year out in Seattle in our hangar called Aviation Day, where kids from across the region come and get on an airplane and talk to pilots and talk to flight attendants and understand what it's like to be a mechanic or to work in the operation.

And Juliana over here can tell you a little bit about working in our operations. She worked on the ramp at Horizon for a couple years. But just having those experiences and seeing what it's like to actually be in an airline.

We partner with the Museum of Flight to give folks similar opportunities with the Alaska Native Science and Engineering Program, which flies Alaska native students down to Anchorage or beyond to have unique experiences in science that they wouldn't have otherwise had. And actually, one of the women that we flew for a couple of years is now the first native woman science professor in the state of Alaska, which is really, really cool. And somebody like Noel would be an incredible inspiration and mentor to her.

We also have been really proud to do the Imagine Tomorrow competition here. And that's something that comes with a similar spirit, because believing that the ideas that are created by today's student are going to be tomorrow's future-- that is how we are going to continue to save fuel. That's how we're going to continue to save resources and keep our operation strong for the long term.

And our employees are really involved as well. So so far, we've touched 89,000 youth. So that one was a little bit of a lowball. And our employees give about 35,000 hours a year all told together to give back to the community in ways that matter to them.

So that's just something that flows through different parts of our operation. And many people here probably have individual experiences of programs that they donate to and give back to, including Brian, who gives back to his alma mater WSU.

So with that, that is the spectrum of our values and how they influence our business. I'm going to turn it back over to Brad, and I think we're going to go to your questions.

BRAD TILDEN: Exactly. We'd love to hear what's on your mind. We'd love to engage. We're all old people now. It'd be great to hear what young people are thinking about and worried about. But who wants to ask the first question? Noel.

AUDIENCE: Could you discuss a challenge or setback that you had and how you dealt with it? A lot of times, we see people that are successful, and we don't always see the times they had challenges.

BRAD TILDEN: Yeah. Somewhere over here is saying it's a great question. I'm thinking in my mind that's a horrible question.

[LAUGHTER]

You know, I'll just tell you. The airline industry is a really interesting industry. We've, in the time I've been at Alaska, a little company called MarkAir basically dumped their treasury. They started flying Seattle to Anchorage and they tried to wipe us out. We had a horrible accident in 2000. 9/11 did bankrupt almost every airline. 9/11, 2001.

After 9/11, we had to do some severe cost cutting. And that had operational and cultural implications. Our operational performance went down. Our employees felt really disengaged. The global financial crisis in 2007, 8, 9. Fuel went up, then it went down, and people quit flying. Delta, a massive incursion into Seattle in 2013.

And those are all company challenges. And then personally, you have, honestly, a lot of it, Noel, is people, is what I would say is that you're just sort of working, trying to configure the leadership team to be successful. But you always think about all of that stuff.

I think every single one of us feel really blessed and honored to have the roles that we have. But there's not a day that you don't go home thinking about whatever you're dealing with right now.

Right now, the biggest challenge is we have bought Virgin America. Virgin America is San Francisco based. Alaska-- we think of ourselves as pretty hip. Way of sort of having it. Virgin America thinks of themselves even more that way.

And when you merge these companies, all the airlines are organized, so pilot labor contracts need to be merged. Flight attendant contracts. Mechanic contracts. Customer service agent contracts. All those seniority lists have to get merged, so people's was different the day before than it is the day after.

And most importantly, the cultures have to get merged. The sense of customer service. The sense of our purpose and our values and who we are about. And one of the jokes we sometimes make is it's sort of like the Brady Bunch. You've got-- who was the dad? Was it Greg? That was the brother. Mike? Was it Mike, and the mom was Carol?

Mike and Carol. You bring the kids together, and the kids aren't feeling the love from the other parents, or something like that. But I'm making a little bit of a joke about it. But if you actually talk to someone at Alaska, they would say no. Bringing these two cultures together right now is a very real issue that we're working on.

And in terms of how-- that's a long answer. Sorry about that. I just think you have to start to look at those challenges as good things that are actually going to make you better as a person, better as a leader. The only way-- and you guys should help with this-- but the only way I've ever known is you just wrestle with it.

The guy that ran Starbucks, a guy named Howard Behar, said leadership is about getting in touch with your values. And what I think that meant is you don't know what your values are exactly until you get thrown a curveball, or a fastball, or something like that. And then you start to see that situation. You say, how am I going to handle this?

And one of the things that I do believe about Alaska is that we grow as leaders when that stuff is thrown all of our ways. And as the leadership grows, the company grows. Do any of you have a different, better spin on that?

ANN ARDIZONNE: Specifically on challenges?

BRAD TILDEN: Yeah.

ANN ARDIZONNE: So one of the things at Alaska through the years is there's been a lot of ups and downs. And as hard as those ups and downs have been, I think it's really created the airline that we are today. And the fact I think Brad mentioned we were number 27 or number 28, and now we're number 5.

What happened to all those other airlines? They didn't make it. And something about us said we're going to be here. And I think it has an awful lot to do with our values and our mission, and the fact that the industry frankly is so brutal.

I think that's one of the reasons people don't leave the industry, is you're sort of used to that daily, what's going to be different today? How are we going to stand up to this competition?

BRAD TILDEN: And if there's an application for you guys, don't expect your life to be-- your life's going to be fantastic. Don't expect it to be easy. You're going to, all of us are going to get challenges. And the question is how you're going to respond to those challenges. Who else has got a question?

SPEAKER 1: Brad, we have some microphones out here so we can help. And my colleague Dana is at the top of the stairs, too. So just because you sat in the back doesn't mean you're off the hook.

BRAD TILDEN: And by the way, while the next person is thinking of their question, I have a story to tell you. So the whole front row, with the exception of Dr. Schultz, is empty. And when I was at Ala-- I've been there 27 years now. I had a reasonable number of friends.

But when I got promoted to CEO, nobody would sit next to me anymore. And it's good to see that you guys are just like the leadership of Alaska.

KIRK SHULTZ: Right here, Brad.

BRAD TILDEN: There we go.

AUDIENCE: Hi. So you touched a little bit on how you initially wanted to be a pilot and then decided to go into accounting and pursue that. I was just curious what your philosophy is then on taking risks and maybe having that blind leap of faith, especially for us college students as we're sort of in uncertain times as well.

BRAD TILDEN: What? I heard most of it-- having that something? I didn't hear your words.

AUDIENCE: Oh-- what's your personal philosophy on taking risks and having that blind leap of faith?

BRAD TILDEN: Oh, blind. Blind leap of faith. Yeah. I think you guys should take more blind leaps of faith, as I think I should have. Candidly, if I had a do over. I think you should go do what you want to do. That's what I think.

I think if you work hard enough and are determined enough, I bet I could have gotten a job as a pilot. And who knows what life would have done that way? Maybe Ron and I would be buddies now. Closer buddies than we actually are already.

But I think you guys should take-- you use the word risk, and it always makes me nervous with young people. Because there's a lot of risk you don't want to take. Take care of yourself. Be good to yourself. Respect yourself.

But with your career, go be fabulous. Go do what you're meant to do. Go have some fun and take some risks. That's my advice.

AUDIENCE: [INAUDIBLE]

BRAD TILDEN: Go for it. Don't not apply for a job. Don't not do something because you don't think you'll get it. That's a horrible reason to not try to do something. Ah, yeah.

SPEAKER 1: Maybe I'll ask one of our alumna, Ann. As you reflect back on your time here in Pullman, what skills, what traits, what did you pick up here in the Palouse that has helped you the most in your career at Alaska?

ANN ARDIZONNE: Yeah. You know, if you were to talk to my parents when they were getting ready to send me off to college, they would have told you we're not sure she's really going to make it all the way over in Pullman. She was raised in Vashon Island, which is a tiny little community. I knew everybody in my high school class really well.

And I was painfully shy. I mean, I didn't talk a whole lot. And then when I came over here, I really liked accounting, but I really wanted to be a physician. But I didn't think I could cut it in science class. So I wish now that I'd said go for it and do what you want to do.

But accounting turned out to be a great field for me. There's something about the organization of it that I just really liked. And it really worked out when I started at Alaska.

But I think what I learned most in Pullman was just leadership. And so I was in a sorority, and I took on more and more roles there. And I just really came out of my shell. And it's funny to think back on it. So I became treasurer of the sorority. And of course, I think they probably do sorority rush.

And I sang and danced in front of thousands of kids. And to this day, it's like--

BRAD TILDEN: [INAUDIBLE]

ANN ARDIZONNE: I don't know. Anyway, I think it was a remarkable period of my life. One I would never give up.

SPEAKER 1: Any other questions from the audience?

AUDIENCE: OK. I just wanted to tell you about an experience I had with an Alaska employee that has kind of made a mark on me. For 20 years, I've been involved with the Alaska Lounge, which was the boardroom. And there was one employee there who seemed to make her charge to get to know everybody that came in there, even though I only came in once or twice a week from Pullman.

And one time, she knew where I sat where my office was when I was at the Alaska Lounge. And I left a calculator there one evening before catching the midnight flight back to Pullman. Well, I figured that's gone.

But I came in a week later. And on the way out, she said, oh stop, stop. Please. I have your calculator for you. That's remarkable. And if you talk about being remarkable, that's just a really good example. And I really appreciate the staff that you've had.

BRAD TILDEN: Ann, you should respond to that.

ANN ARDIZONNE: So that was part of our boardroom staff?

AUDIENCE: Yes.

ANN ARDIZONNE: Yeah You know, the boardroom is one of our best places at the airline to really connect with customers. It's something that we do more and more now, but I think that's really the group that inspired much of the company in terms of how to have a real personal connection with the employees.

And the boardroom group, which is now the lounge group, they quite often would send personal cards to employees-- excuse me, customers. And they got to know the customers so well, they would often attend marriages and whatnot. It's a pretty special place.

BRAD TILDEN: And Ann, how long did you lead the boardroom?

ANN ARDIZONNE: About 11 years. And I bet if you told me the employee's name I bet you I'm still in contact with them.

AUDIENCE: We've got one over here.

AUDIENCE: So it was mentioned that Alaska is top in safety, and I was just wondering what is it that Alaska does differently that makes them so good at safety?

BRAD TILDEN: Yeah. You know, Ron Limes, would you be willing to offer your thoughts on this? Ron is a base chief pilot for Seattle. He flies a 737. I can give you my thoughts, but Ron will be more interesting, and he'll be closer to the operational side of things.

RON LIME: No pressure. OK. Good morning, everybody. Well, we have a motto, A slogan. It's called ready, safe, go. If you've never seen it, it kind of looks like a traffic light. It's got a ready, safe, go. And what what's required from every employee-- and not only required, but expected-- is any employee from day one to day-- how long you been here? 26 years? Has the power and the obligation to stop the operation if something's not right.

Doesn't matter who you are. But if you see something that's not right, you call a timeout and you stop the operation. Once your concerns are addressed, once everything's taken care of, then we'll go, but not until then.

That's what we mean by ready, safe, go. And that's why safety is number one. That's it.

BRAD TILDEN: Super answer. By the way, you guys can do that with your friends as well. You don't have to wait till you come to Alaska to practice ready, safe, go. It's a great way to live your life.

SPEAKER 1: Right here, Brad.

AUDIENCE: I was curious if your parents or one of your parents are a pilot, since you grew up next to SeaTac. And then the second part is veterans. I know a lot of veterans receive training in aviation in the military. So I'm wondering how many of your employees are veterans.

BRAD TILDEN: OK. So my dad was a Boeing engineer. He was more on the defense and space side. He never worked on the commercial airplane side. But I do think him being an engineer and him working at Boeing was a subliminal nudge for me. And I do think that.

I remember my dad being amazed. I got this job when I was 18. I came from a large family that we didn't have much money. But I got a good job when I was 18. And I went and took a flight lesson. And he's like, you what? Because you actually, you could just-- and then I went back the next day. I took an introductory flight, and then I went back the next day and took a lesson.

And I remember him just sort of, like, who is this kid? You know? But anyway, that's a little bit of my dad and his influence. He was a-- both my parents. We have six kids who were just extraordinary. I'm very, very lucky that way.

Vets. We love vets. I think we have over 1,000 vets working for us. There's a lot of HR folks here. Ron Limes who you just heard from is a veteran. In flight operations and maintenance especially.

We actually have one airplane-- and I might be spilling beans, but there's going to be soon to be two planes that are actually painted to honor our veterans. They say, honoring those who serve. It's a big, big part of the culture at Alaska, and we really appreciate the sacrifices those guys made for all of us.

AUDIENCE: Hi, Brad. I'm Caleb. My question for today is, with the ever-growing in the pilot industry and having basically a pilot shortage, how is Alaska prepared to respond with that?

BRAD TILDEN: Yeah. Another Ron Lime question. Actually, Ron, let's get an HR and a flight ops perspective. Ron, why don't you start on pilots? And then one of you HR folks want to talk about what we're doing to bring pilots in?

RON LIME: Yeah, sure. I'll start. Yo-- the pilot shortage is real. It's going to happen. And so what most major airlines are doing is starting very, very young. And they have this pipeline. So we've got our own pipeline. It's called Pathways.

And Pathways runs right through Horizon Air. Because Horizon Air-- they're Alaska Air group. And the culture is the same. The routes overlap. It's just a wonderful training ground for pilots to come through Horizon and then straight to Alaska. So that's what we've begun.

So when you get hired at Horizon Air next year-- are you are a flyer?

AUDIENCE: I want to be.

RON LIME: Right on. I like this guy.

[LAUGHTER]

Right? When you get hired by Horizon, you start flying a queue with a 175. And once you're there for about a year, you get some chops, you get some hours, then I meet you. And we sit down and we talk with an HR person.

And you are being interviewed at that point for an Alaska Airlines job sometime in the future. Once you have the required hours and once you have a clean sheet and things like that, we'll bring you right over and you start flying 737s. Or Airbus. Depending on what Brad decides.

[LAUGHTER]

BRAD TILDEN: And you know, Megan, it might be a good chance for you to talk about the internship program. That's a great way that we bring young people like Cougs into the company to sort of get a look at the company to look at jobs that might be a good fit. This is Megan-- Gimmestad?

MEGAN GIMMESTAD: Sure. Yeah.

BRAD TILDEN: Sure means not quite.

MEGAN GIMMESTAD: Officially, my last name is Norwegian, and I do not speak Norwegian. So I could be pronouncing it wrong, too. So how are you all doing?

AUDIENCE: Good.

MEGAN GIMMESTAD: Yeah? Anybody interested in internship opportunities? Anybody want to fly to Hawaii on a weekend in their summer? No? Nobody? I sure do. Yeah. So I do lead internship recruiting here at Alaska Airlines and Horizon Air.

We're actually going to be at the career fair tomorrow speaking about internship opportunities, so anybody who's interested in an awesome summer experience come chat with me. We have a lot of opportunities on the business side. Computer science. All those fun fields.

From a pilot perspective, if you're interested in flying, come find me as well. I can connect you with our tech ops recruiting team as well. And we'll see you tomorrow at Beasley.

BRAD TILDEN: Megan invited me to speak with our interns this summer and there were a lot of flight ops interns, but there were computer science, mechanical engineering-- I mean, these majors have changed. Like honestly, when people said what they were studying, I had to think about it for a minute.

But there are airlines need iPhone apps. Everything is getting automated and simplified, and it's getting more digital. And anyway, I'm sure we have lots of opportunity for the talent you guys have.

What other questions? You guys-- any-- is there's somebody up there? Laurie has a question or a comment?

SPEAKER 2: I'm yielding to you.

AUDIENCE: Hi. I'm actually here for a couple of different reasons today. We operate an antique and warbird Aviation Museum about 30 miles from here down in Lewiston, and I just want to tell a lot of you kids we had five young kids come through our museum and learn how to fly antique airplanes and a mechanic last year that went to work for Alaska.

And I just want to compliment you on recognizing those-- I mean, these are outstanding young kids. And they can really fly. A lot of them wandered over to a grass strip in southern Seattle or over near Buckley, Washington. And a couple of them were taught to fly by a very good friend of mine that was tragically killed in a T6er a couple years ago.

But you guys recognized these young guys. And he's been with you less than two years, and he's a check airman on the Q400.

BRAD TILDEN: Nice.

AUDIENCE: And I just want to compliment you on that. And we're mainly here today to see how we can help with that pipeline of young kids that want to fly or want to become mechanics. And I've had a chance to visit with Megan and Christa here this morning, so I'm excited to see how we can just help this.

And I'll tell you guys real quick. I'm in the heavy equipment business, and I met a pilot quite a few years ago. And he was-- Potlatch down where we live, which is a large paper mill-- he was their first corporate pilot. And they had the first Lear 24 west of the Mississippi back in the early '60s.

And I met him through a chance, and I was young at the time. I was actually driving truck, learning the business. And I was asking him about flying, because I was very intrigued. And he said, well-- when I asked him what got him into flying-- and he said, well, somebody asked me one time. They said you can either work the rest of your life, or you can fly the rest of your life.

[LAUGHTER]

And I've never forgot that. And anyway, I'm just excited that you kids are interested in aviation. And this is a great company, and we just appreciate everything you've done for our region.

BRAD TILDEN: Thank you very much.

SPEAKER 1: OK. I think we have time for one more question. OK. Well, we want to thank Brad and his team for coming. Really exciting to have such high caliber executives on the Pullman campus here.

I want to remind everybody to come and join us at 11:30 in the Terrell mall where Butch and the band will be celebrating our partnership with Alaska Airlines. And then at noon inside the Terrell Library atrium, we're going to throw some paper airplanes, and there's a lot of Alaska stuff to give away, including four tickets to anywhere Alaska Airlines flies.

So we want to put ready, safe, fly to test, and get the fire Marshal a little nervous in that room. So please come back and see the team again and come celebrate our partnership with Alaska Airlines with us. So thank you, everyone.

[APPLAUSE]

BRAD TILDEN: Good luck to all of you.