

Testimony of Alaska Airlines  
Before the Seattle Port Commission  
June 23, 2015

We thank the Commission for putting in place a 90-day review of the Sea-Tac IAF project. We applaud your leadership in taking a pause in order to conduct a transparent review of the project scope and funding. As you heard in prior testimony, all 21 year-round passenger carriers, *including Alaska Airlines*, support making upgrades to the international arrivals experience at Sea-Tac. However, as you know, 20 of these carriers have formally weighed in with concerns about the staff's project plan. We are optimistic this 90-day review will result in a project we can all get behind -- one that provides our region's international-arriving passengers a much-enhanced experience, one that is *cost-effective*, and one that is *fair* in its treatment of all airlines and our passengers.

We do have some thoughts on how to best advance the review process, some of which may already be incorporated into your review plan. Most notably, we believe the process should:

- Involve participation from senior level executives from all 21 carriers, along with close Port Commission oversight; Start with a thorough review of the project history and the current concerns, setting the stage for an examination of alternatives to the staff-proposed plan;
- Include perspective and analysis from independent outside subject matter experts.

While there are many important issues to address, we think it is critical to examine these three:

One, a review of the significant changes in cost projections, technology and airline service patterns since the initial IAF plan options were considered. This must include a full understanding of the implications of CBP's recently announced intent to pursue Customs pre-clearance facilities at Amsterdam, London and Tokyo-Narita as well as Delta's just announced elimination of Seattle-Tokyo-Haneda service. These changes will have a *material* impact on the number of international arriving flights into Seattle. Also, Customs use of kiosks and mobile technology, which have both made significant strides in the past 2 years, creates efficiencies that must be better understood for Seattle's IAF.

Two, an overview of recent IAF-related projects at other large North American airports; and

Three, a review of IAF funding models at other North American airports including the levels with which domestic airlines cross subsidize these facilities.

As part of the review, it is important to review the accuracy of the assumptions made about international growth and future capacity that drove the scope of the staff-proposed plan.

Also, as we understand it, the Port staff will today seek Commission approval to execute a contract with a design-build team for the IAF. Given the 90-day review underway, we would ask that you ensure this contractor's work looks at project alternatives, and is not solely focused on the staff-proposed plan.

We know this review process is no easy task. But Alaska Airlines is eager to work with the Port and the airlines to find a solution that we can all get behind and that is good for the region.

Thank you for your time and consideration of our views.