From: SHARYN PARKER

To: <u>Commission-Public-Records</u>

Subject: [EXTERNAL] Public Comment on Draft Economic Recovery Plan

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 HPSCAN 20200512172405679.pdf

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Good morning,

On behalf of the Burien Quiet Skies Coalition and Quiet Skies of Puget Sound, please accept the enclosed three-page letter to the Executive Director and Commissioners as our Public Comment today at the POS Commissioner's meeting during the agenda segment concerning the draft economic recovery plan.

Thank you,

Sharyn Parker, Secretary Burien Quiet Skies Coalition Mr. Stephen R. Metruck Executive Director, and Port Commissioners Port of Seattle P. O. Box 1209 Seattle, WA 98121

Dear Mr. Metruck, Commissioners Bowman, Calkins, Cho, Felleman, and Steinbruck:

On behalf of two local citizen coalitions concerned with Port of Seattle transparency and accountability, the undersigned are responding to the Port Commission's Motion 2020-06 "to provide guidance for Port leadership in prioritizing Port investments to assist local, regional, and statewide economic recovery from the COVID-19 pandemic. While this motion may be the Port's attempt to demonstrate its economic development prowess to prop up the local economy, this effort should not be built upon the shifting sands of what are now outdated and faulty assumptions about priorities and expenditures.

Unfortunately, the Port's strategic use of key "social justice" phrases as a veneer for "business-as-usual," does not withstand scrutiny and fiscal examination of some infrastructure priorities included in development projects, such as the Sustainable Airport Master Plan (SAMP) for example. This point is exemplified in the following paragraph found on page 3, following Capital Project Investments:

"The Port plans to make \$3.4 billion of capital facility investments over the next five years. The over \$1 billion of scheduled construction work in 2020 and 2021 will provide a significant stimulus to the regional economy."

Nowhere in this Recovery Plan does the Port adjust its pre-2020 assumptions that—according to all aviation industry leaders—will change the "demand" side of the infrastructure projections model for the foreseeable future. For instance, a quote from a Wall Street Journal (WSJ) article on April 30, 2020, entitled "Aerospace Industry Forced to Retrench," "The once-booming aerospace industry has suffered one of the fastest and sharpest changes in fortunes, forcing national champions on both sides of the Atlantic to prepare for a *sustained period* of reduced demand for their planes that, optimistically, could take three years or more to reverse." (Emphasis added.)

It was also reported by the Associated Press (AP) and communicated via King5 News on April 30, 2020, that Jet Blue and Spirit Airlines were suspending flights to Sea-Tac Airport because, as Spirit Airlines stated, "to continue to operate to these cities during a period of almost zero demand is against the public interest as it wastes scarce financial resources while adding virtually nothing to these points to access air transportation." It was also announced that same day and article by the AP that Delta was suspending flights to nine airports because they argued, "each of those nine airports were within an hour's driving distance of another Delta airport."

Locally, there is also dramatic news from The Boeing Company--beyond a projected cutback in workforce from between 10-15%, in a WSJ article dated April 28, 2020, entitled "Airplane Makers Are Downbeat on Revival." Chief Executive David Calhoun is quoted as saying, "Global airline revenues are set to drop by \$314 billion this year. We are in an unpredictable and fast-changing environment, and it is difficult to estimate when the situation will stabilize", he added. "But when it does, the commercial market will be smaller and our customers' needs will be different." Further in this same article, "Mr. Calhoun said this pandemic is spurring reflection on how the plane maker will design airplane cabins in the future, including how air circulates. 'There's going to be a lot of learning in this process,' he said."

It's important for the POS Commission to remember that downsizing and scrutinizing infrastructure developments at Sea-Tac Airport did not originate with the Covid-19 pandemic. In a six-page letter dated April 17, 2019, from Alaska Airlines to Mr. Steven Metruck, ED of the POS, Mr. Andrew Harrison, EVP and Chief Commercial Officer, highlights "several serious concerns with the current proposal for the SAMP:

- It fails to address airspace congestion that would make Sea-Tac among, if not the most, delayed airport in the nation, with the resultant additional block and increased taxi times only worsening the environmental impact.¹⁷
- The proposed new north terminal is not connected to the main terminal, would be far too small for either Alaska or Delta, and the lack of connectivity would make use by either impractical. It also reduces the utility of the new \$1B International Arrivals Facility (IAF), as all passengers from the new terminal would have long transit times to/from important international flights. The decision to build a separate \$2.3B north terminal facility that 80% of the passengers will not be able use seems short sighted when fully connected less impactful alternatives are available.
- 19 additional gates are more gates than needed to meet demand and far more than needed to meet the Purpose and Need statement of the environmental process. Our own studies conducted by independent consultants using industry standard assumptions indicate a need for only 10 additional gates beyond the capacity already under construction.* This variance was primarily driven by the Port using their consultant's proprietary model for 'gate rest' between flights and Alaska assigning a specific value (15 minutes for domestic and 30 minutes for international) for periods between the departure of one flight and the arrival of the next. For perspective, even if Alaska were to double the buffer time for domestic flights to 30 min, a number clearly on the extreme, the number of required gates only increases from 10 to 14, not 19. With a price tag of ~\$100M/gate, building nearly two

¹ Remember that this correspondence and the creation of the SAMP predates the State legislature's creation of a state commercial aviation coordinating commission, enacted in 2019, to site a new airport to relieve demand at Sea-Tac Airport, by January 2022.

^{*}Footnote #3 in Alaska's letter: Alaska's consultant took the same 2029 flight schedule the Port's consultant indicated a need for 19 gates and the result called for 10 gates over and above capacity enhancements already under construction. The 'gate rest' or 'buffer' times Alaska used were not only consistent with many large hubs, but also those suggested by the Airport Cooperative Research Program ("ACRP"), a division of the Transportation Research Board, and comprised of thought leaders from the aviation industry. ACRP Report 25, April 26, 2010. The buffers used by Alaska are consistent with those used for planning at other large hubs, including terminals at JFK, LAX, HNL, AND ATL and consistent with how SEA actually operates today."

- quantity of gates needed to satisfy the future schedule demand is neither a prudent use of Port, airlines, and customer funds nor an appropriate reply to a concerned community.
- The plan to cancel \$850M in projects from the main terminal to fund implementation of the SAMP would deprive the main terminal with much needed investment in infrastructure. We believe that maintaining main terminal investment, while also ensuring a competitive cost structure for our passengers, is an essential part of any development plan."

Currently, the POS has an unprecedented opportunity to demonstrate its commitment to accountable planning and spending by using its airline and taxpayer resources responsibly. Scrutiny will be ongoing by Congress for spending its appropriated "CARES Act" funds and local communities urge the POS to review ALL of its assumptions for enplanements, forecasted revenue, and other aviation industry considerations, as well as projected usage of an airport destined to be supplemented by a new airport with the site to be announced in January 2022.

The undersigned identified below are in unanimous agreement that the POS Commissioners should re-examine, redefine, and re-estimate the projects contained in the SAMP because *none* of the assumptions are based on realistic passenger or infrastructure projections and costs initially—as identified in the letter from Alaska Airlines—or particularly now with federal and local funds seriously in doubt; and economic conditions fluctuating monthly.

Sincerely.

Larry Cripe

President, Burien Quiet Skies Coalition

Sheila Brush

Founder, Quiet Skies Puget Sound

3 Brush





² S. 3548 in 116th Congress, introduced March 19, 2020 and signed by President Trump.