

November 5, 2008

The Honorable Aaron Reardon
Snohomish County Executive
3000 Rockefeller Avenue
Everett, WA 98201

Dear Executive Reardon,

We are writing to express our unified support for Paine Field's current role as an industrial airfield that supports Washington State's aerospace industry, general aviation and our communities. We expressly oppose efforts to bring scheduled passenger air service to Paine Field.

A significant concern is the impact passenger air service at Paine Field may have on Boeing and its operations. As the Prosperity Partnership noted in its signature report in September 2005: "the Central Puget Sound region is one of the world's few epicenters of aircraft and parts manufacturing." The heart of that epicenter is Paine Field, which Boeing uses to test and deliver its wide body planes. Snohomish County should do all it can to maintain and enhance Boeing's presence and primary assembly facility.

Commercial passenger aircraft would need to use the long runway at Paine Field, the same runway Boeing uses to test and deliver its production planes from the adjacent assembly facility. While there are other options than Paine Field for commercial passenger service, Paine Field is the only place Boeing uses for testing and delivery of wide body planes. With delivery deadlines slipping and order backlogs growing, it is unwise to further encumber Boeing and its workers.

Once the door to commercial passenger service at Paine Field is opened, the County and its citizens will find a slippery slope on the other side of the door. It will be difficult to control or limit the growth of commercial passenger service, and eventually commercial passenger flights will impede or somehow restrict Boeing activities. Whether that happens in five years or 25 years, it won't be a good thing for Boeing and for Snohomish County. The economic benefits from Boeing's presence at Paine Field clearly dwarf any net economic benefits from allowing commercial passenger service at Paine Field. These impacts and threats must be fully considered and communicated to the public.

We urge you to make every effort to implement vigorously the county's policy of "strongly discouraging" scheduled passenger air service at Paine Field. We do realize you and your staff are obligated to negotiate in good faith with the airlines that express interest in providing commercial air service to or from Paine Field. However, we are concerned that some believe FAA rules lock you into accommodating any airline that wants to schedule flights at Paine Field — this belief is wrong! Instead, we believe you can "strongly discourage" while still negotiating in good faith pursuant to FAA regulations by doing at least the following:

- Legally discourage scheduled air service by refusing to pay one dime towards subsidizing it. Investments in a passenger terminal, security facilities, baggage handling facilities, parking upgrades and related facilities are not appropriate, particularly now when the County is facing a budget deficit of at least \$21 million and perhaps considerably more. In addition to not having the money, the County has no way of ensuring continuing use of the facilities by commercial airlines, who are greatly impacted by economic and market conditions.
- Reject any offers that include subsidies of any kind from any source including efforts to subsidize the funding of capital improvement costs or guaranteed ticket purchase programs through publicly financed agencies such as the Economic Development Council.
- Reject any pleas for reduced or waived landing fees or other fees. The County should not offer any inducements to any airlines, particularly any which reduce expected income to the County. Fees should be reflective of the market rate using Sea-Tac Airport as a pricing standard.
- Require a full cost analysis to ensure you have identified all costs that must be paid for by the airline applicant(s). Include indirect costs in the analysis to determine what degree any such costs can be incorporated into county demands of the airline applicant(s).
- Embrace the role of lead permitting agency. Because Snohomish County owns and operates Paine Field, it is unquestionably the lead permitting agency for any proposed use of Paine Field for commercial air service. Snohomish County needs to be assertive in its role as the lead permitting agency and require adequate studies, environmental impact statements and full noise mitigation assessments to ensure understanding of all the impacts that will come with commercial air service. Once studies are completed, the County must then identify and require appropriate mitigation activities for these impacts.
- Require airline applicants to pay for environmental impact studies, noise studies, traffic studies and remediation studies, not only for a small number of flights but for the full potential of flight activity, particularly given the inability to limit flights once they begin.
- Implement aggressive passenger fees. Because the County will be on the hook for the potential of billions of dollars in noise mitigation costs, fees should reflect that liability.

These actions are consistent with the Mediated Role Determination, Federal law and FAA regulations. Your own attorney, Kaplan Kirsch Rockwell, issued an opinion in 2006 that validates this point:

“...airport proprietors have considerable discretion in deciding whether and when to make capital improvements. Equally important for present purposes, airport proprietors generally can decide on the precise nature and scope of the capital improvements. Indeed, airport users typically are responsible for reimbursing an airport proprietor for its costs to build new projects serving those users even if the users consider such projects to be imprudent and unnecessary.” (KKR Memorandum to Sno. Cty dtd 12 Oct 06, pp 27-28.)

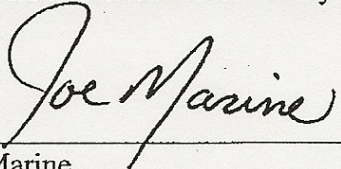
Snohomish County as proprietor of Paine Field has a wise policy to "strongly discourage" a change in the airport role thereby keeping commitments to citizens and communities while avoiding costly litigation, indirect costs, lost tax revenue from reduced property values, school, health, environmental, transportation and other adverse impacts. This policy induced our cities to rezone thousands of acres surrounding Paine Field (or under the flight paths) from light industrial to residential housing. Now this policy protects the billions of dollars of investment it created.

The policy also protects Boeing from being "crowded out" by passenger service as they ramp up production of the 787 and continue production of the 747, 777, and 767 (especially if Boeing wins the tanker contract). Boeing requires time on the main runway for taxi testing, flight testing and other important activity required for FAA flight certification. If Paine Field offers commercial service, would Boeing need to wait for inbound and outbound airlines? Or would airlines circle our neighborhoods while waiting for Boeing to clear the runway? Flight testing and scheduled airline service don't mix and we don't have clear answers about how to make it work. It's a risky proposition to impose costly delivery delays on our region's biggest employer.

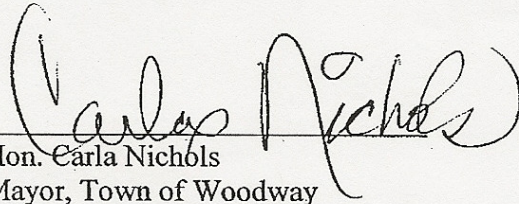
No wonder the county and our cities have supported the policy set forth in the MRD. Brier, Edmonds, Mukilteo, Lynnwood, Mountlake Terrace and Woodway, (representing more than 120,000 residents) have passed formal resolutions in support of the MRD and the current role of Paine Field and opposing scheduled passenger service.

We request you fully consider the bipartisan concerns and recommendations made on behalf of so many cities and Snohomish County citizens.

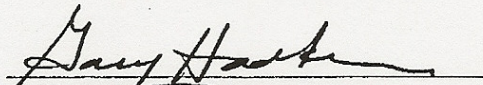
Sincerely,



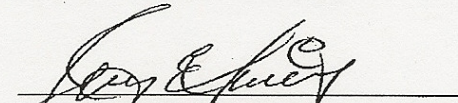
Hon. Joe Marine
Mayor, City of Mukilteo



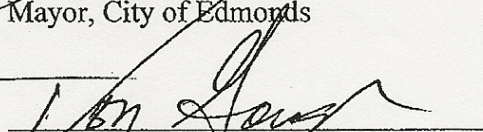
Hon. Carla Nichols
Mayor, Town of Woodway



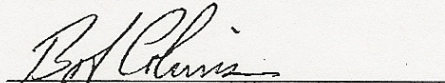
Hon. Gary Haakenson
Mayor, City of Edmonds



Hon. Jerry Smith
Mayor, City of Mountlake Terrace



Hon. Don Gough
Mayor, City of Lynnwood



Hon. Bob Colinas
Mayor, City of Brier

Enclosures: Resolutions opposing expansion of Paine Field from Brier, Edmonds, Lynnwood, Mountlake Terrace, Mukilteo and Woodway.

c: Everett Herald
Seattle Times
Seattle P-I
Mukilteo and Edmonds Beacon
KIRO, KOMO and KING TV/Radio