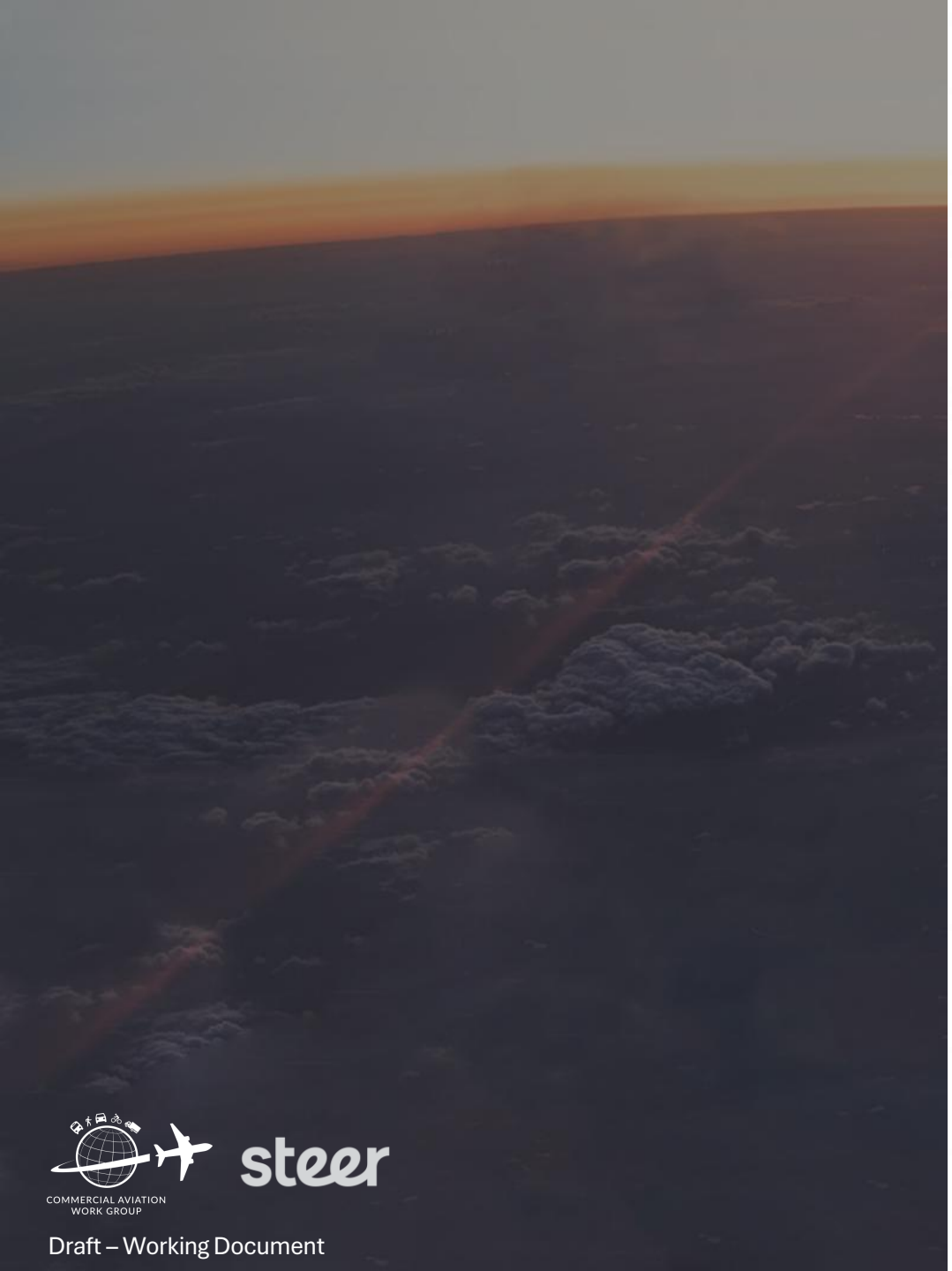
Washington State Unconstrained Forecast - Report

April 28, 2026 | Moses Lake, Washington

COMMERCIAL AVIATION WORK GROUP

Draft – Working Document



Contents

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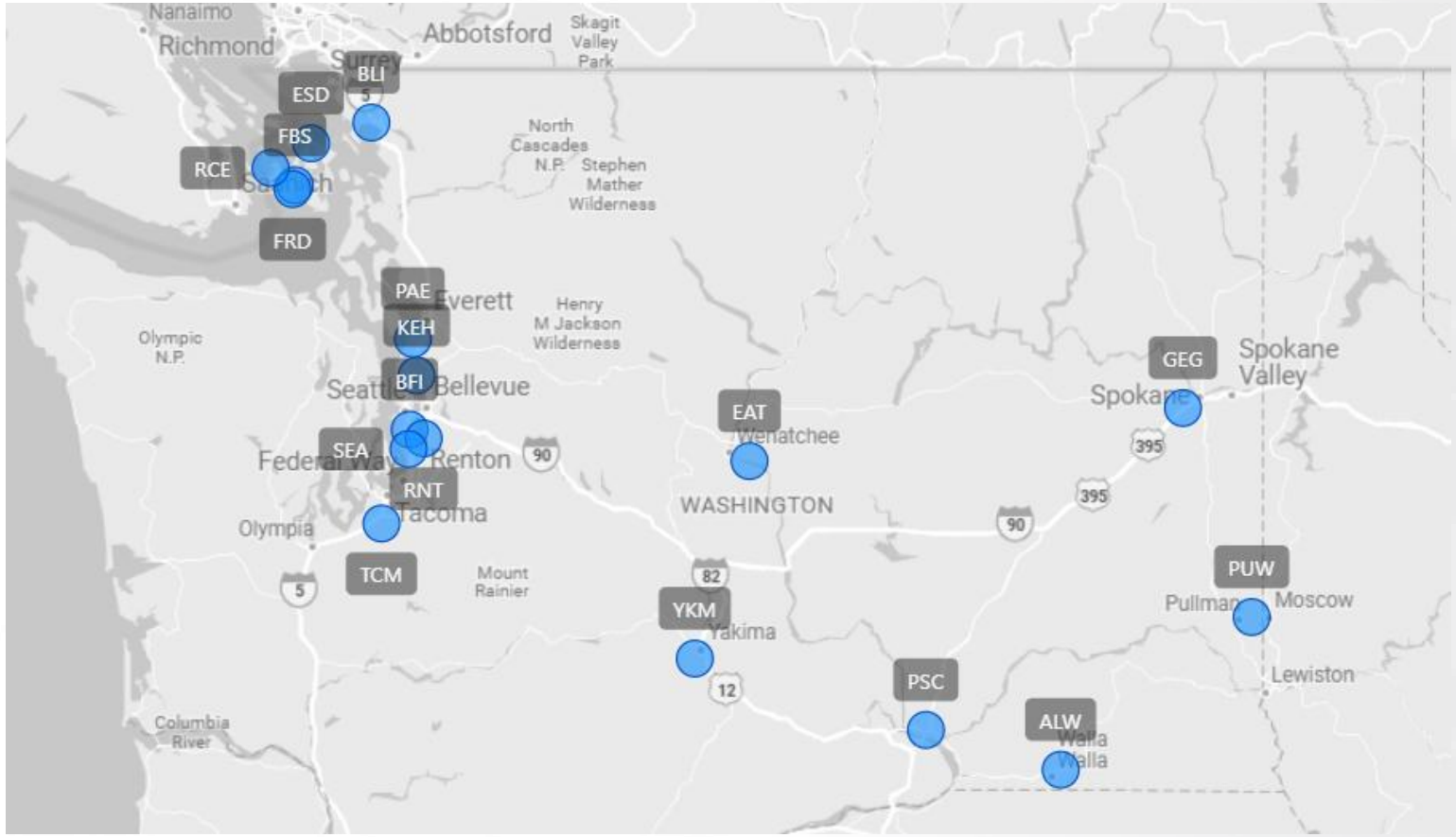
We have developed an unconstrained air travel demand forecast for the State's busiest 17 commercial airports

Washington State – Map of In Scope Airports



Source: BTS T100, SEA Statistics, Steer

Enplanements: Top 17 WA Airports

IATA Code	City	2025 epax (m)
SEA	Seattle-Tacoma International	26.317
GEG	Spokane International	2.114
PSC	Tri-Cities	0.528
PAE	Seattle Paine Field International	0.306
BLI	Bellingham International	0.226
PUW	Pullman/Moscow Regional	0.075
EAT	Pangborn Memorial	0.043
YKM	Yakima Air Trml/McAllister Field	0.046
ALW	Walla Walla Regional	0.039
BFI	Boeing Field/King County	0.030
FRD	Friday Harbor Airport	0.011
TCM	McChord Field	0.000
ESD	Orcas Island	0.009
KEH	Kenmore Air Harbor	0.007
FBS	Friday Harbor Seaplane Base	0.006
RCE	Roche Harbor	0.004
RNT	Renton Municipal	0.001
Total		**29.762**

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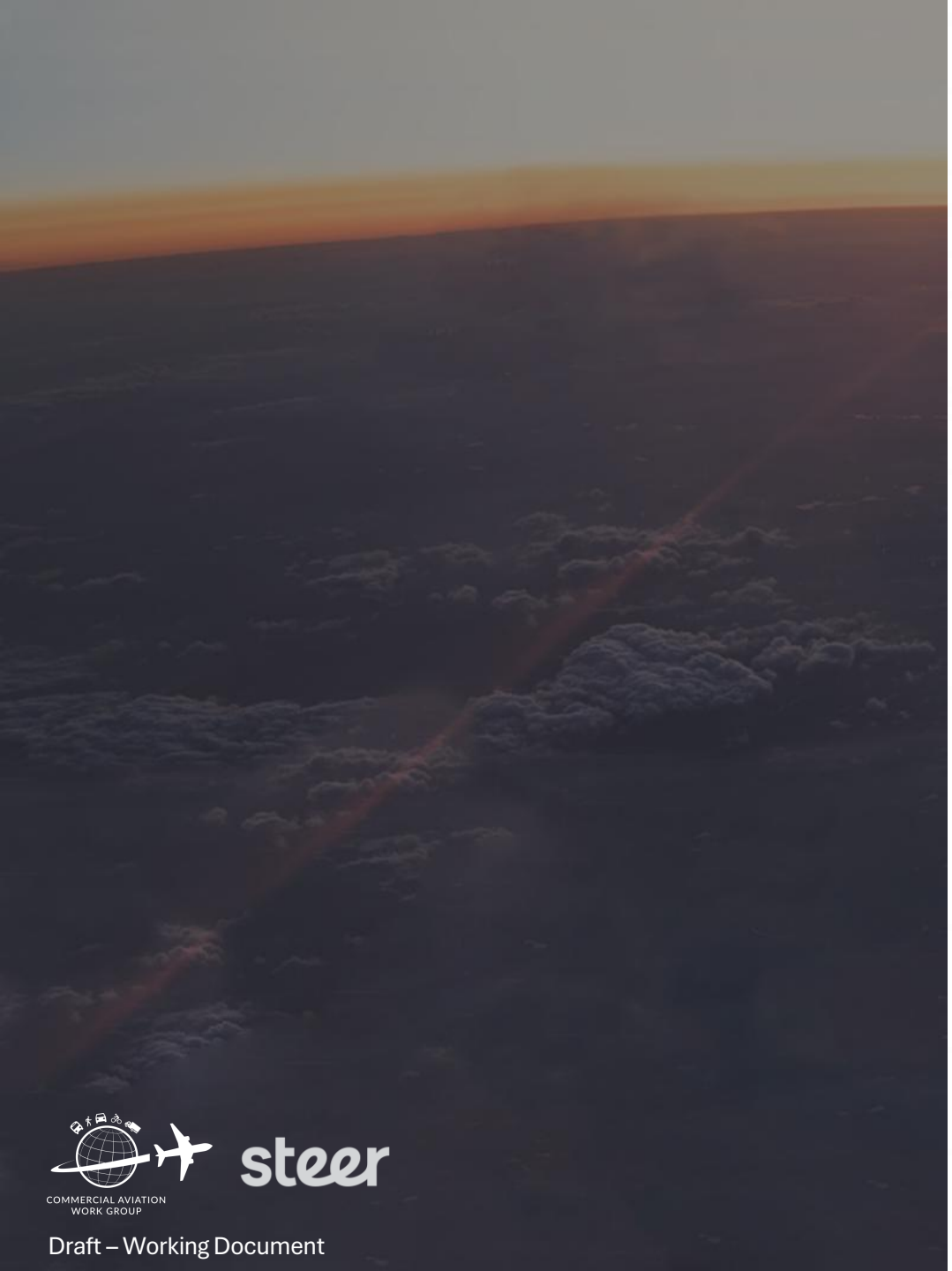

Contents

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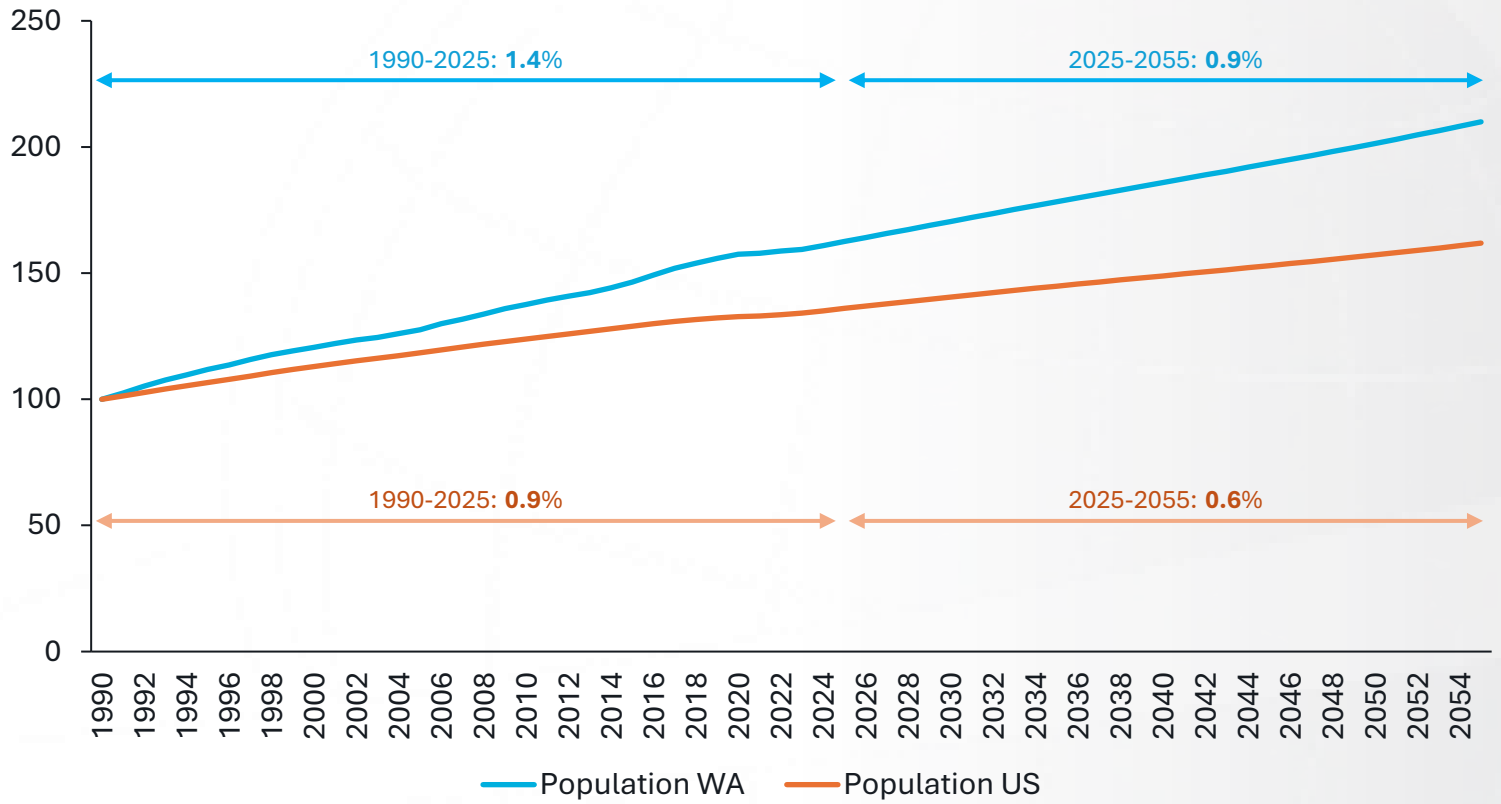
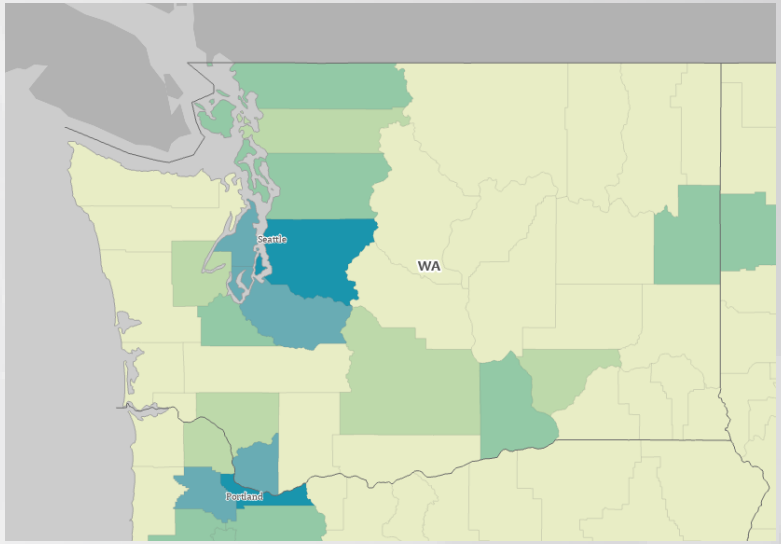
Washington State's population accounts for approximately 8m residents; it is forecasted to exceed US average growth

Washington State Population versus US Population (Historical Figures and Forecast)
Index (1990 = 100)



Washington State Population Heatmap



Source: W&P, Steer

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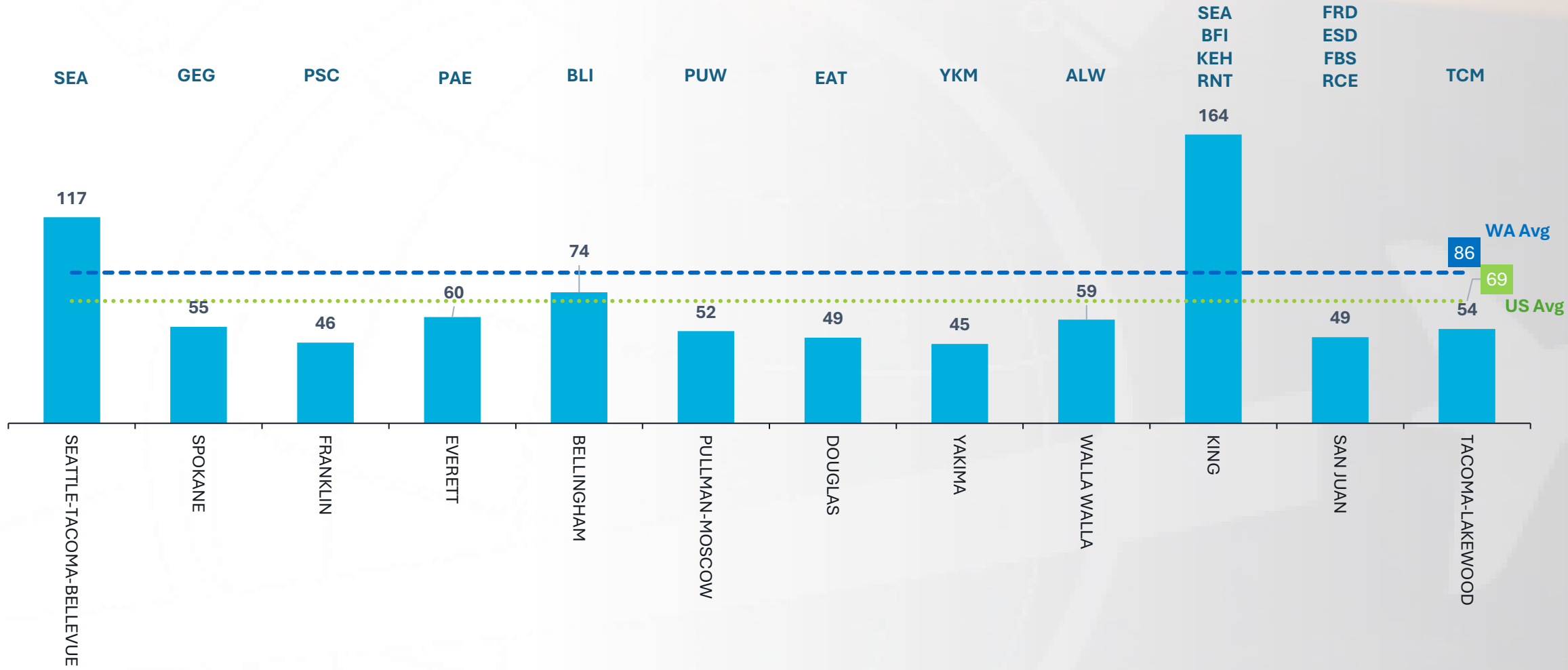
WA's above-average economic performance is concentrated in King/Seattle



Source: W&P, Steer

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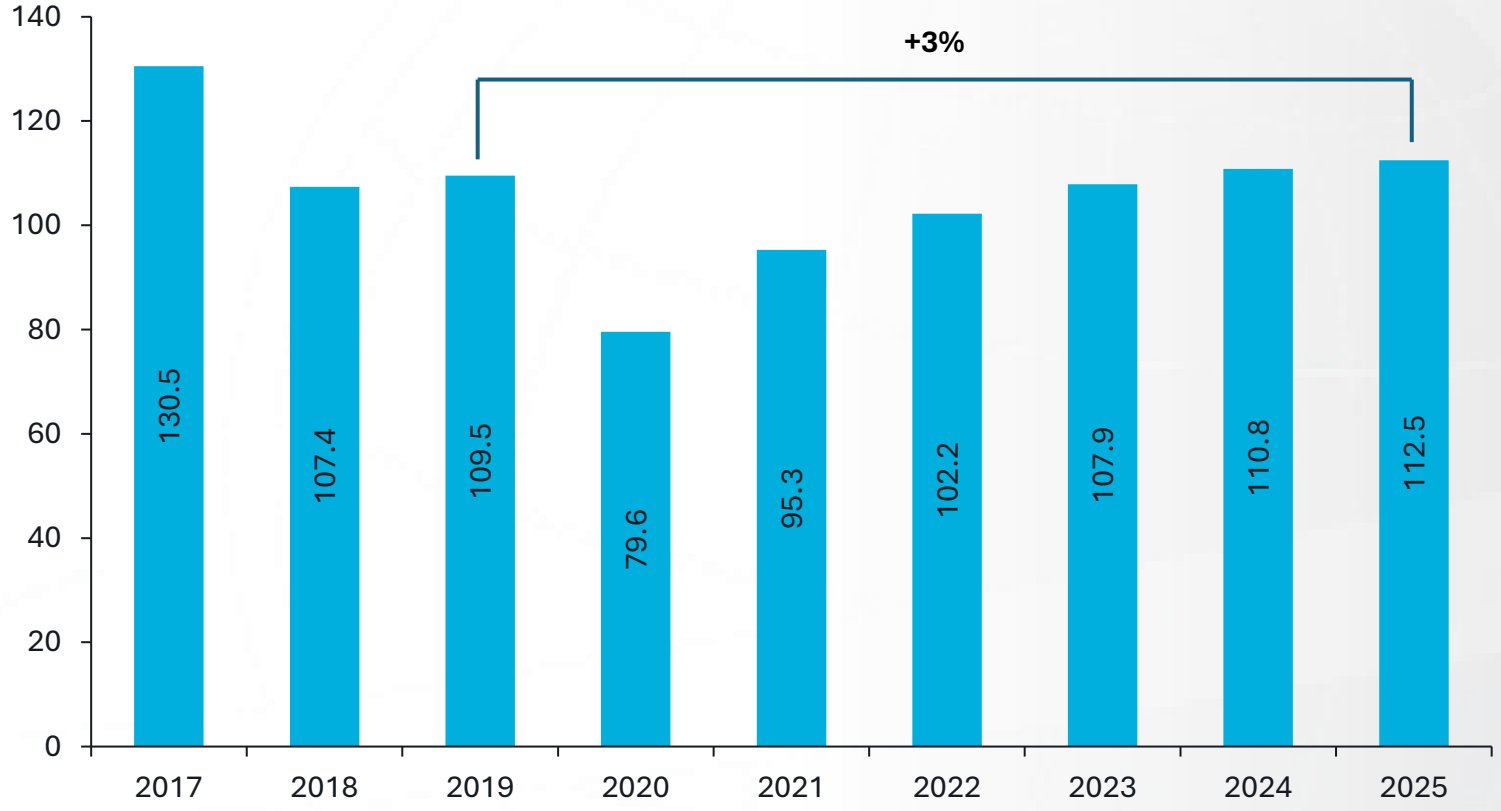
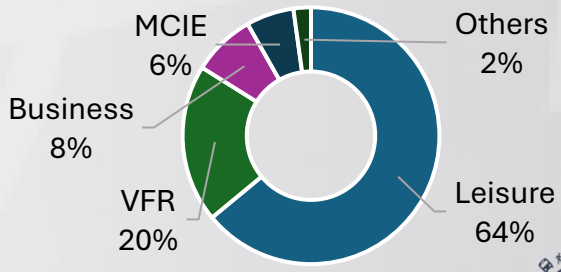
WA Visitors are above pre-pandemic levels, driven by domestic demand

Visitors to WA State
(Millions)



Source: Washington State Tourism (Industry.StateofWA Tourism), Visit Seattle, Washington State Department of Commerce, Steer analysis
MCIE: Meetings, Incentives, Conferences, and Exhibitions; VFR: Visting Friends and Relatives

- Tourism demand in Washington State is overwhelmingly domestic, accounting for approximately 97% of total visitation.
- International demand is highly concentrated, **with Canada representing the largest source market by a significant margin**, followed by select long-haul markets in Asia and Europe.
- Domestic visitation is strongly driven by local and regional demand, with approximately two-thirds of visitors originating from within Washington State.
- While visitation has surpassed pre-pandemic levels, Seattle has recovered more gradually (40M visitors in 2024, 95% of 2019), reflecting a slower rebound in demand.
- Business travel is supported by a strong corporate base and convention segment



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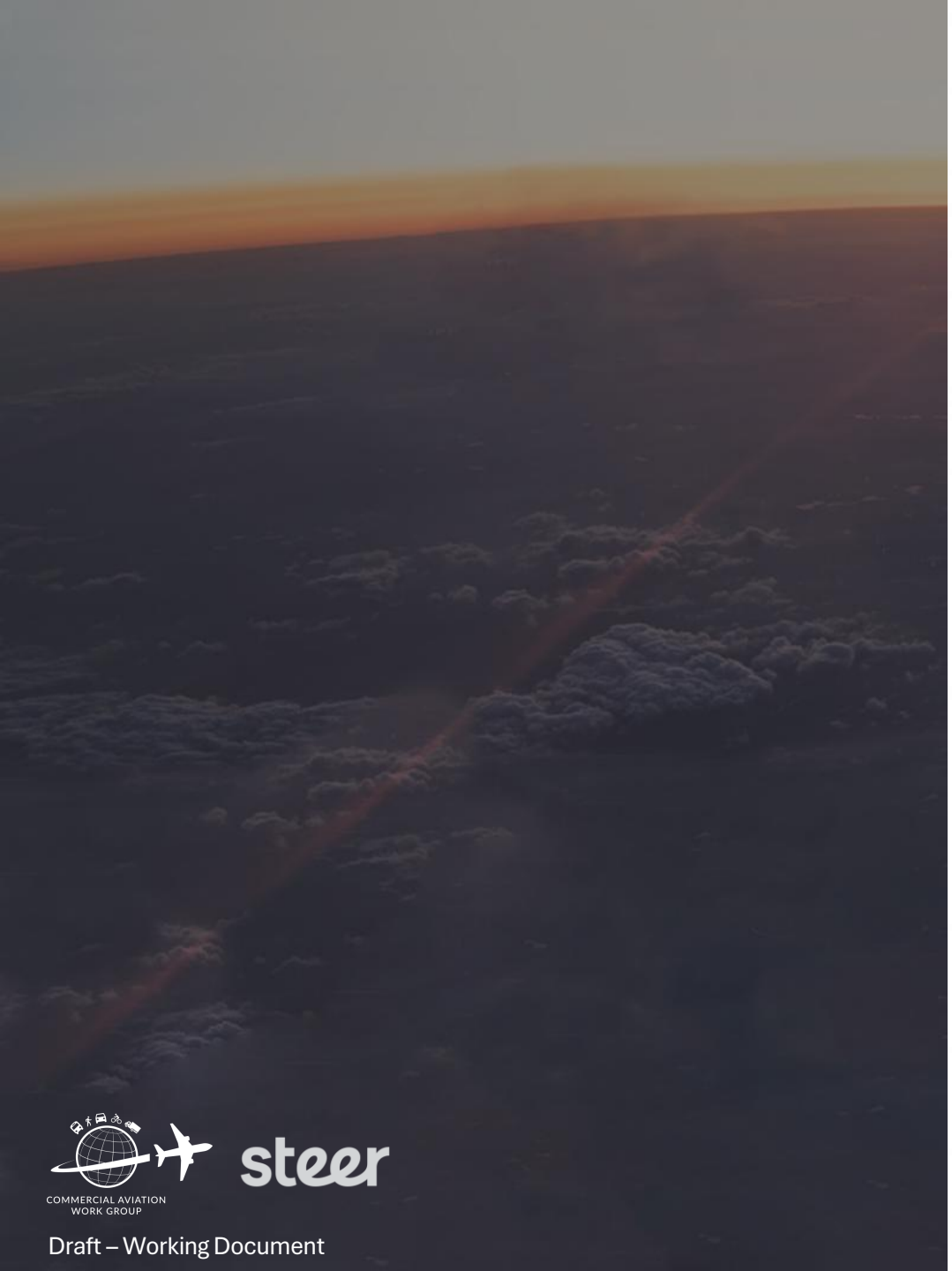

Contents

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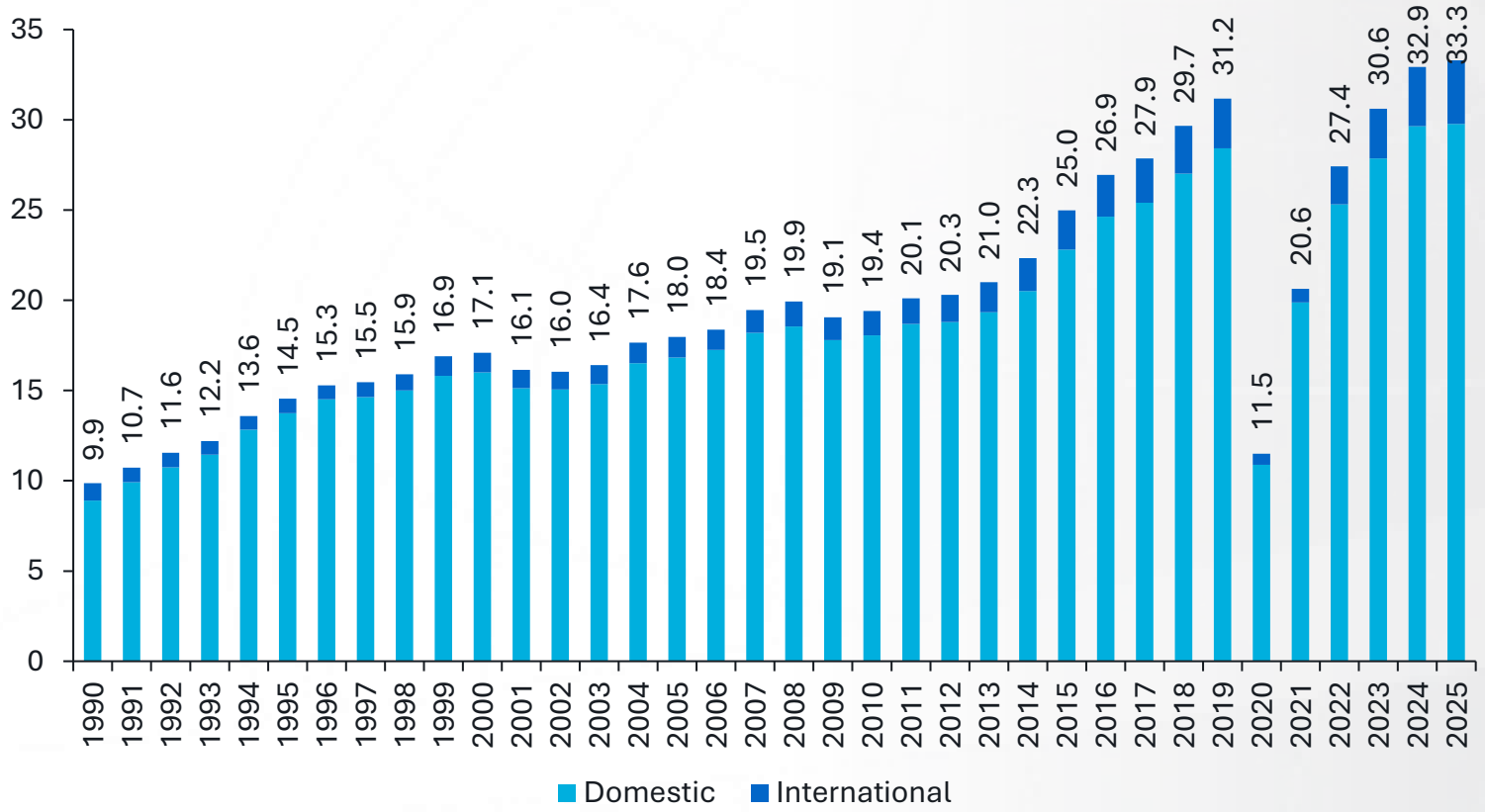
Traffic growth at a CAGR of 3.5% in the last 35 years; for the last 15, international volumes are strongly increasing

Washington State Airport – Annual Traffic 1990-2025

Enplanements (m)



CAGR %	Domestic	International	Total
1990-2025	**3.5%**	**3.8%**	**3.5%**
1990-2010	3.6%	1.7%	**3.4%**
2010-2025	3.4%	6.7%	**3.7%**

Source: BTS T-100, SEA, Steer

Note: 2024-2025 Data for SEA from SEA Airport Statistics.

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35 years of Washington aviation growth in operations, seats, and passengers

WA State Traffic Drivers 1990-2025
% of 1990 Change

+200% growth vs 1990
+5% growth vs 2019

+100% growth vs 1990
+4% growth vs 2019

+50% growth vs 1990
+2% growth vs 2019

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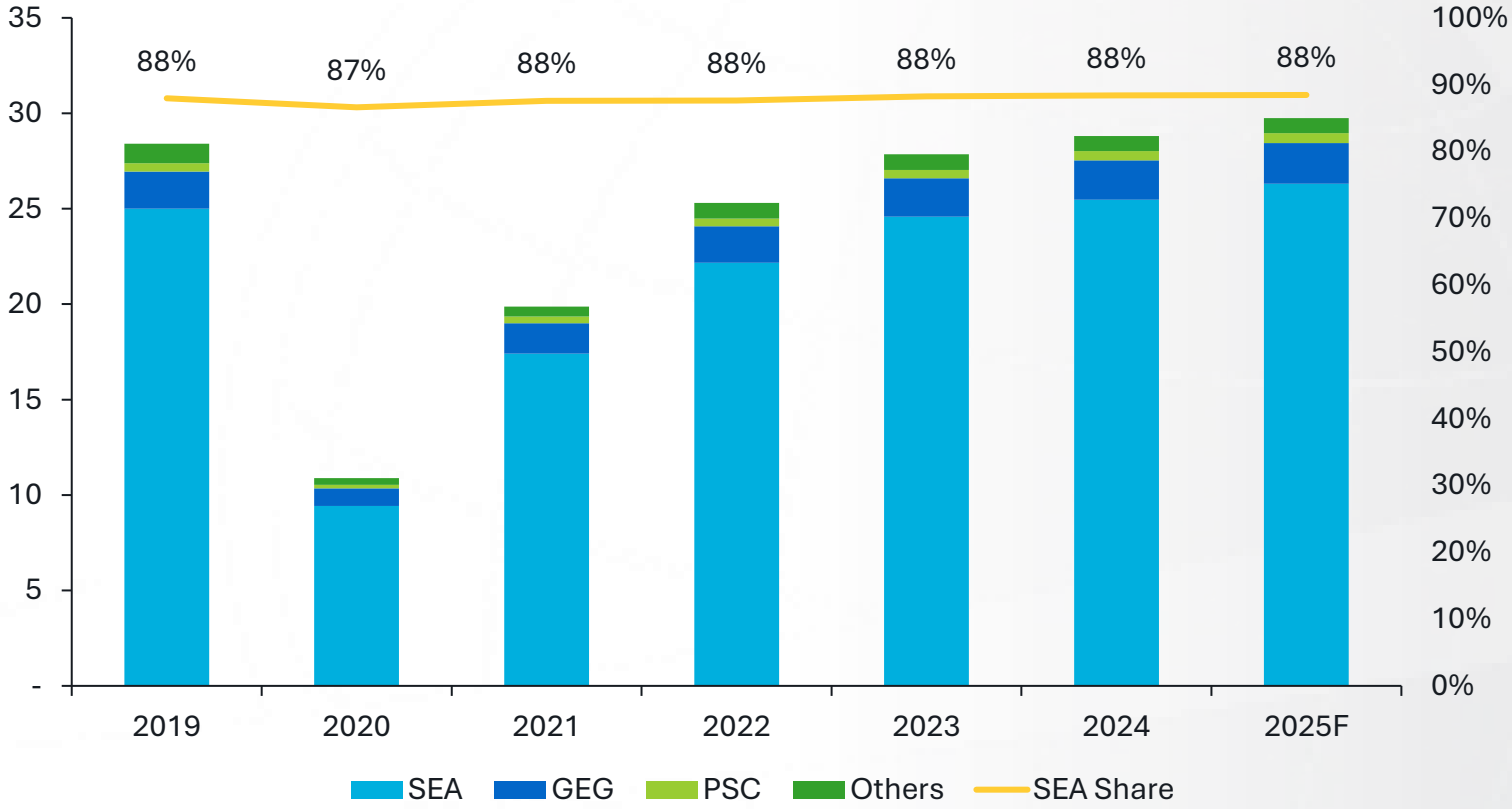
The 3 busiest WA Airports represent over 97% of passenger traffic, with SEA's share holding steady at 88%

WA State Airports growth 2019-2025
Enplanements (m)



- SEA has retained its market share through COVID-19 and historically since 1990; its market share has not remained in the 86-88% range.

Source: BTS T-100, Steer
Note: 2025 Data for SEA from SEA Airport Statistics. T-100 BTS 2025 Data available up to November 2025. Full Year estimated based on average monthly traffic in observed in Jan-Nov 2025

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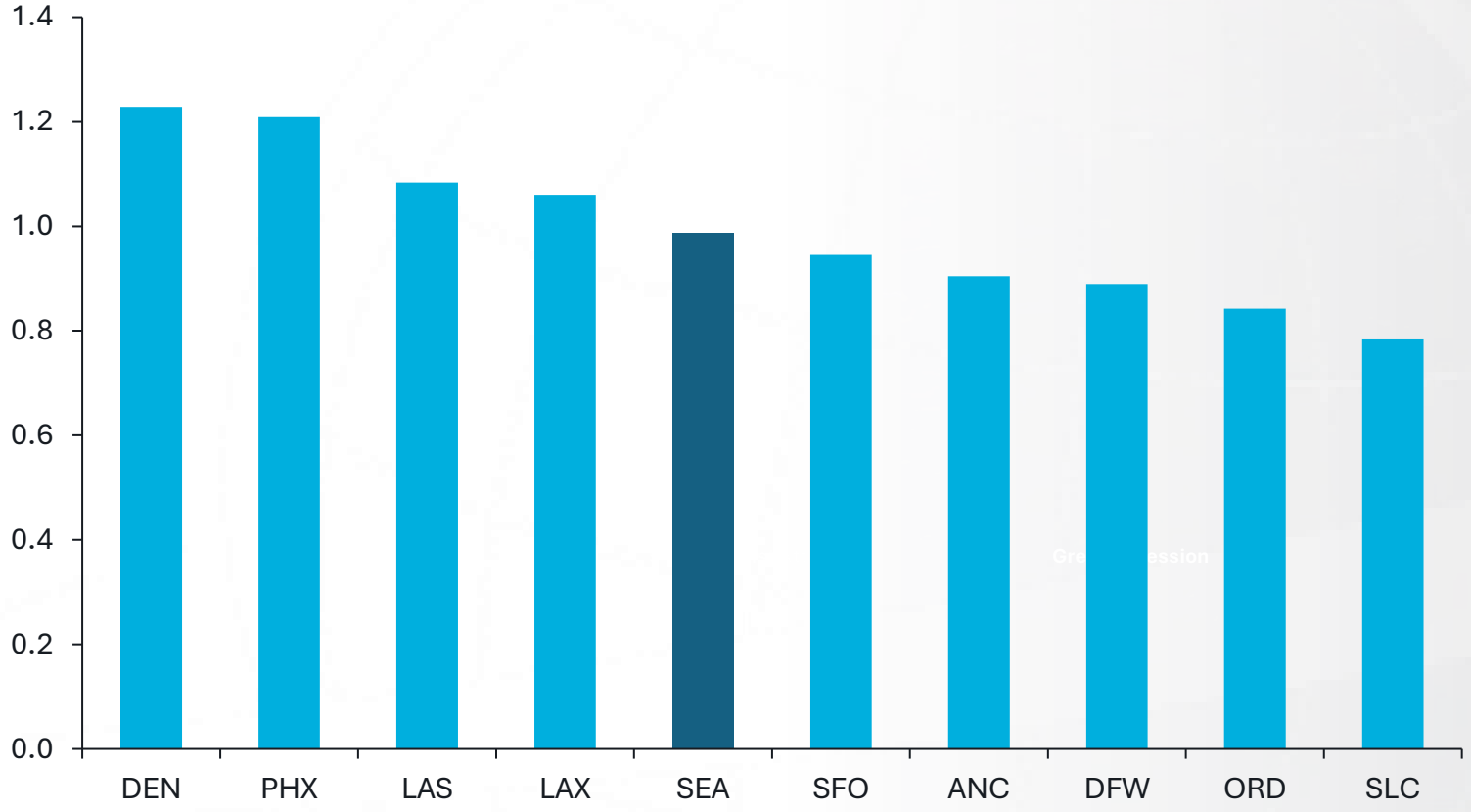
10 domestic routes from WA State airports account for 35% of the total domestic 2025 volumes

2025 Domestic Enplanements from WA State Airports
(Millions)



Source: xxx

- Denver and Phoenix are the top routes for enplanements from the 17 airports assessed in Washington State.
- All regional airports, aside from SEA operated a total of 1m enplanements to SEA in 2025.

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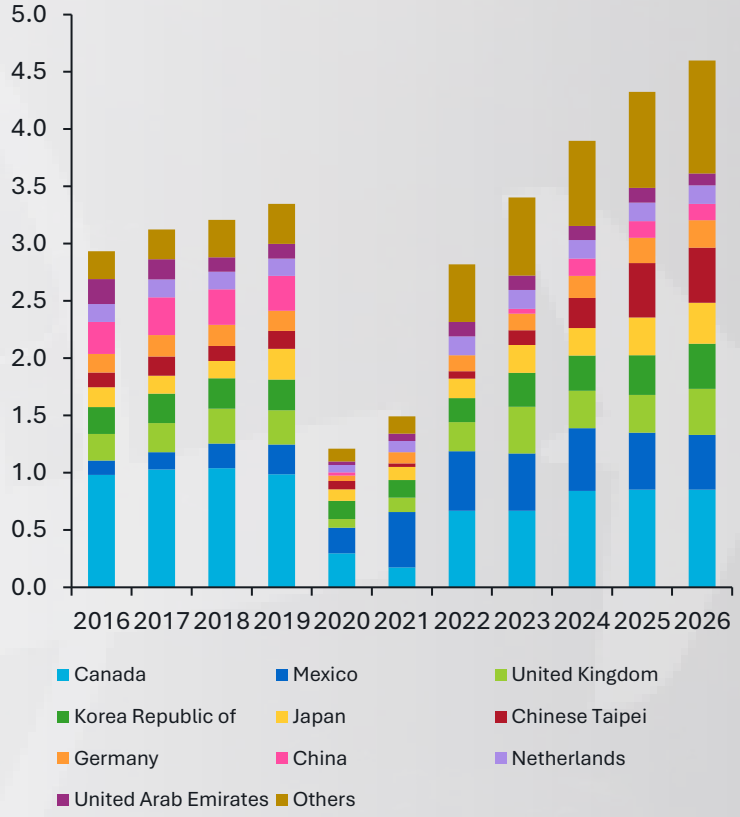
SEA has doubled its international destinations from 13 nations in 2016 to 26 in 2026

SEA International Route Map 2026

SEA International Capacity by Country

Departing Seats (m)



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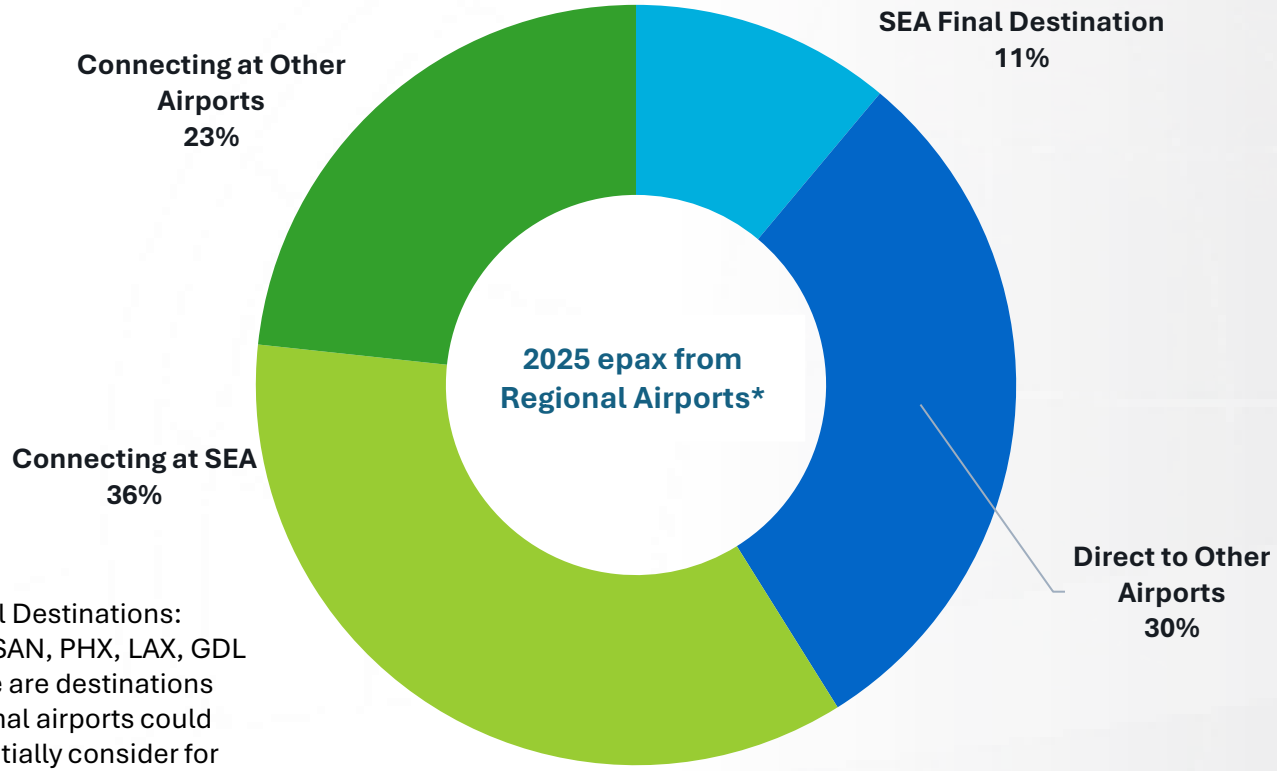
Close to 50% of epax from regional airports land at SEA to terminate their trip or connect to West Coast destinations



Top Final Destinations:
- LAS, SAN, PHX, LAX, GDL
- These are destinations regional airports could potentially consider for non-stop service

- Connection share at SEA has decreased over time from 25% in 2016 to 22% in 2019 and 18% in 2025.
- This is aligned with the industry trend of increased O&D operations as well as reflecting WA secondary airports developing their network and bypassing SEA.

Source: Official Airline Guide, Steer analysis
* Excluded SEA, GEG, PAE

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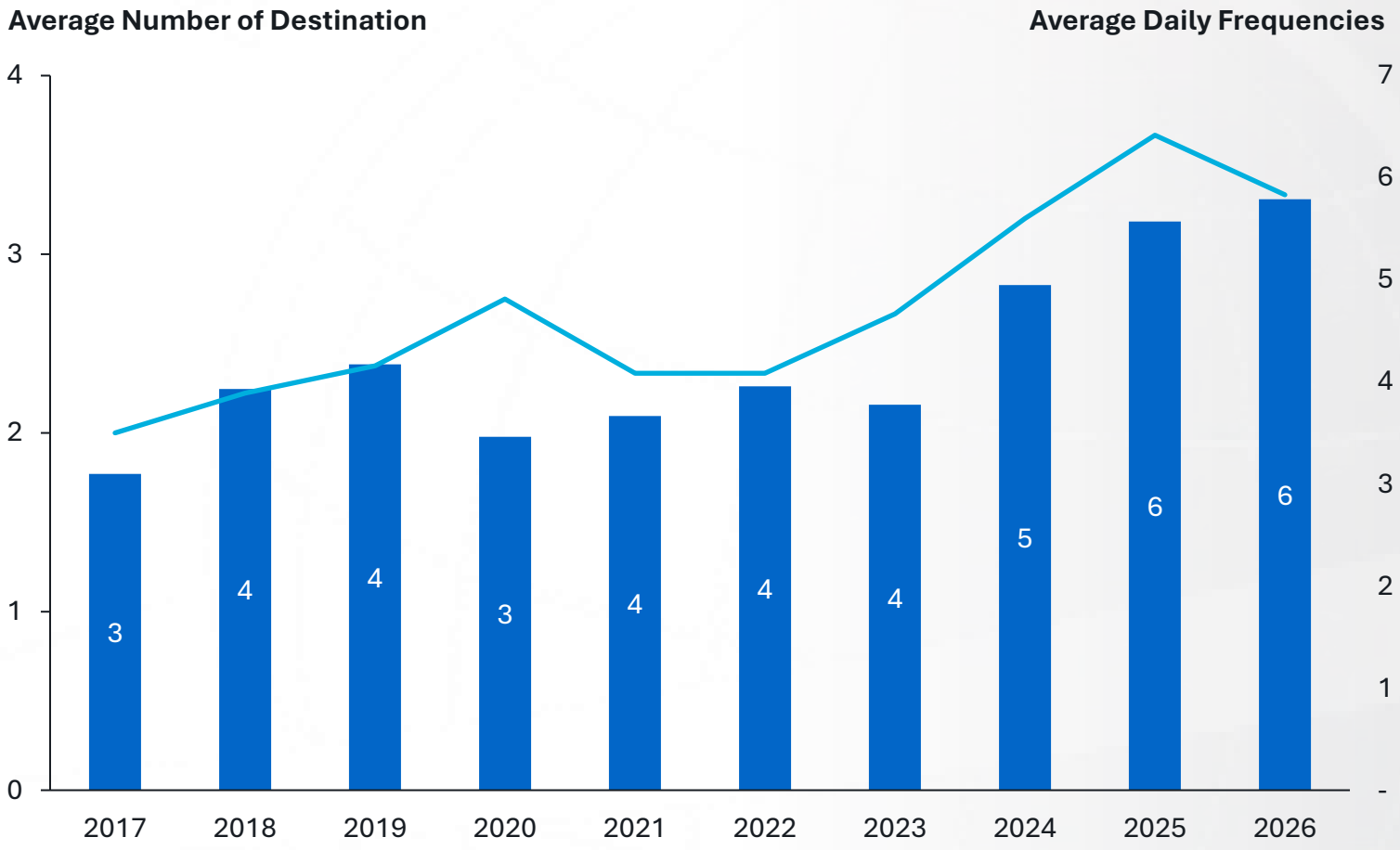
WA's small regional hubs increased their markets and daily frequencies since 2017



Source: Official Airline Guide, Steer analysis

- **Small regional hubs exclude SEA, GEG, PSC and PAE**, therefore this analysis assesses services at airports below 300,000 enplanements
- In 2024, number of destinations served has increased driven by the start of operations from Roche Harbor (RCE), San Juan Airline

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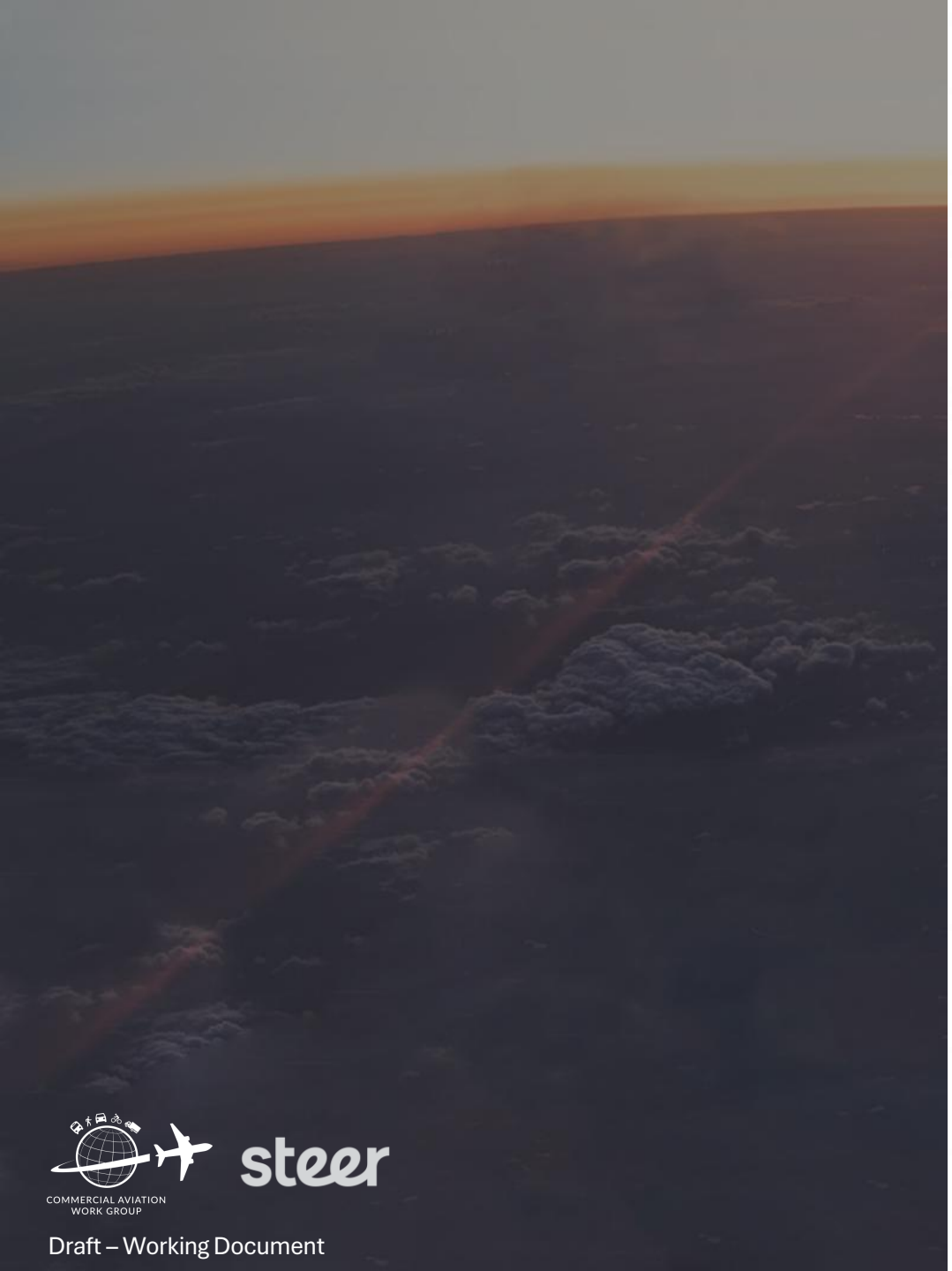

Contents

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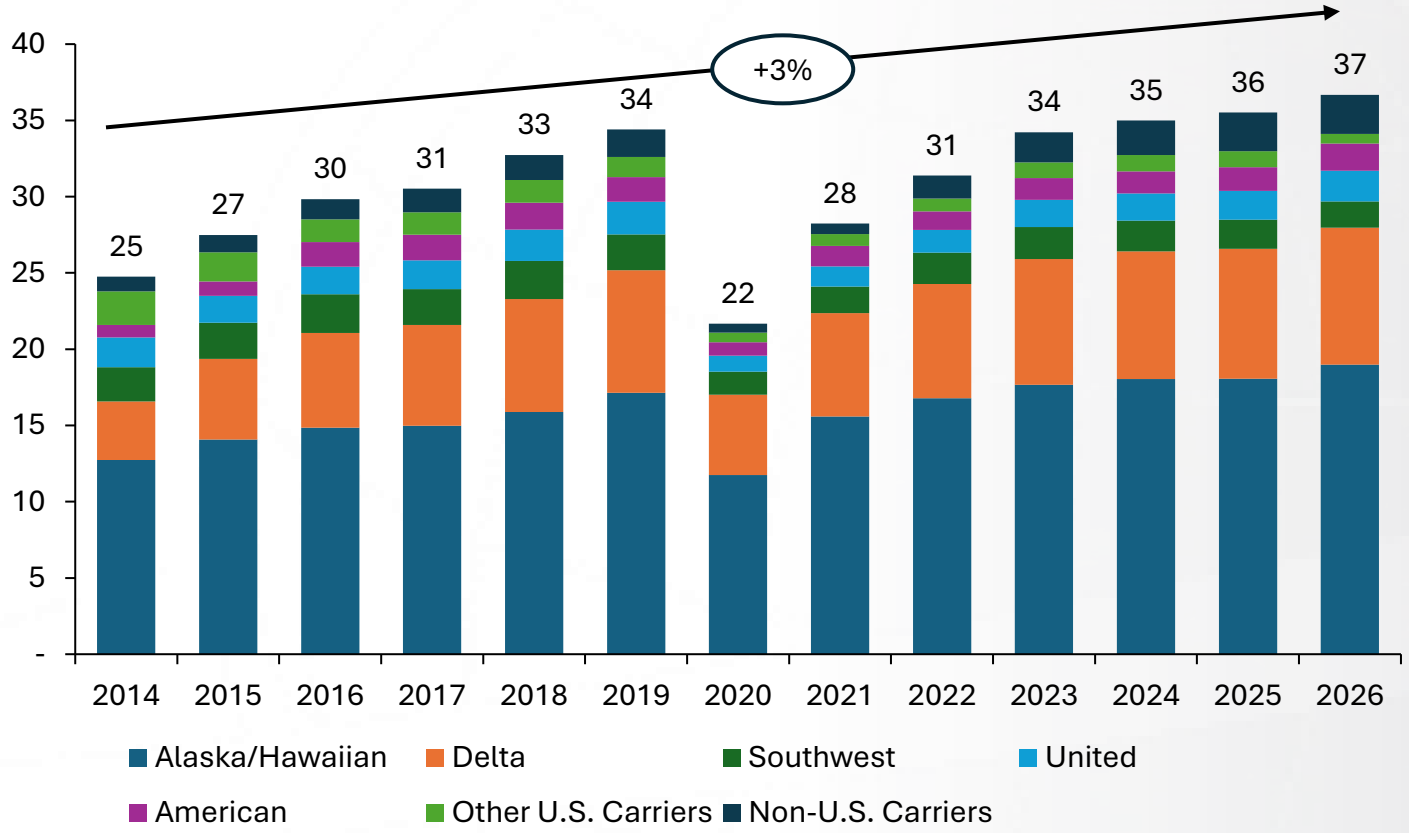
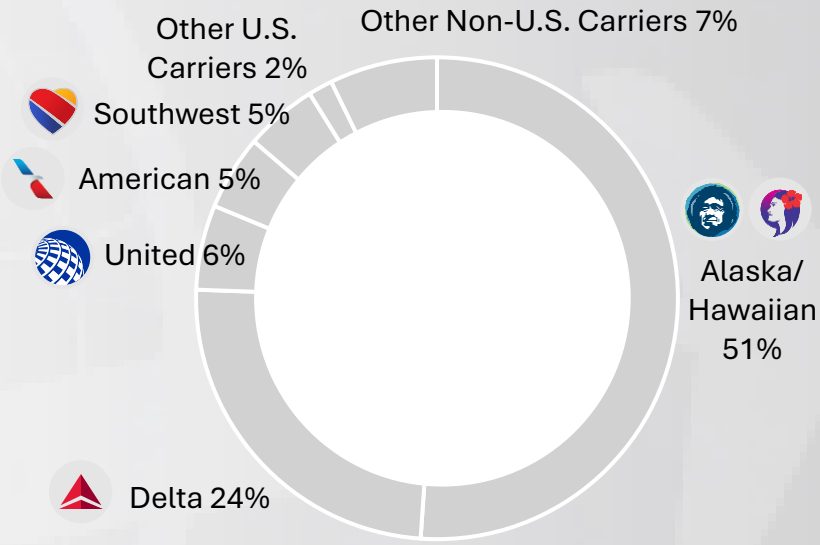
Alaska/Hawaiian control over half of WA's aviation market, followed by Delta at about a quarter of the market share

WA-State Seat Capacity by Airline 2014-2026
Million Departing Seats



WA-State Overall Airline Market Share 2026
% Seat Capacity Share



Source: Official Airline Guide, Steer
Note: 2025 Data for SEA from SEA Airport Statistics. T-100 BTS 2025 Data available up to November 2025. Full Year estimated based on average monthly traffic in observed in Jan-Nov 2025

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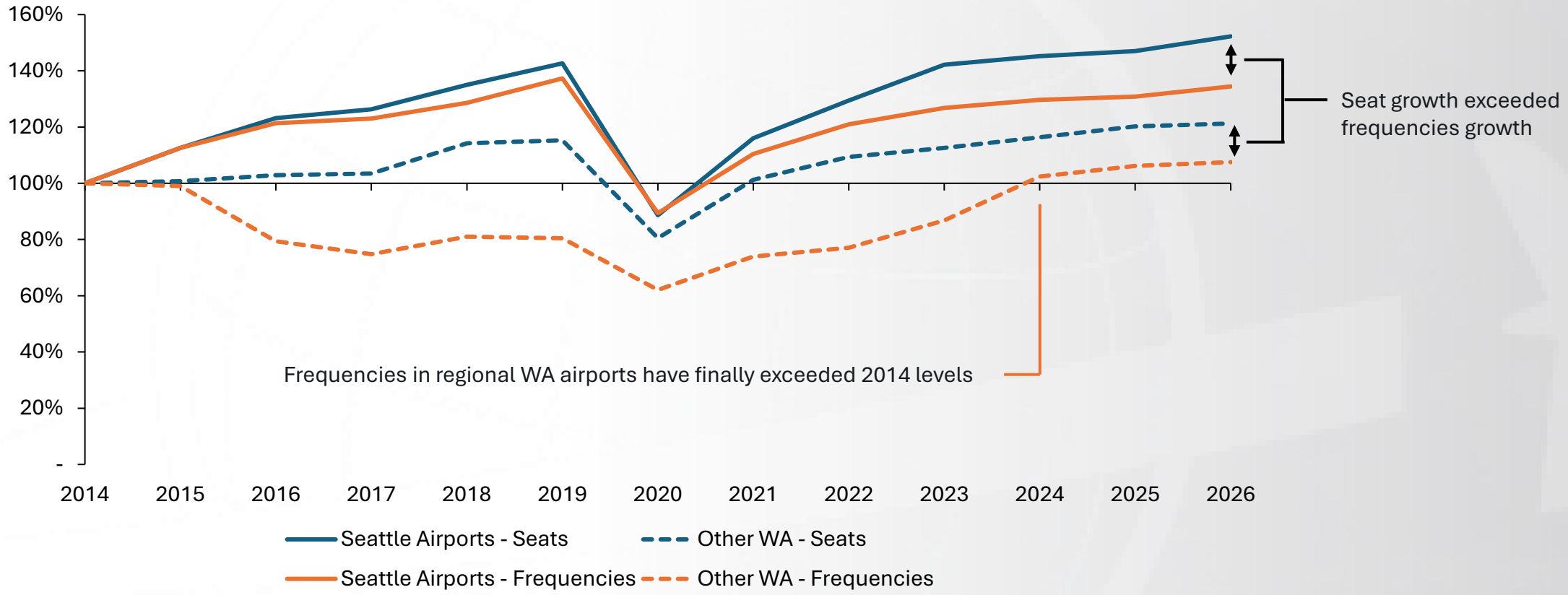
Airlines are flying more seats (and more pax) per aircraft movement

Washington State Seats and Frequency Evolution Among Seattle-Area Commercial Service Airports and Other WA airports 2014-2026

% of 2014



Source: Official Airline Guide, Steer analysis

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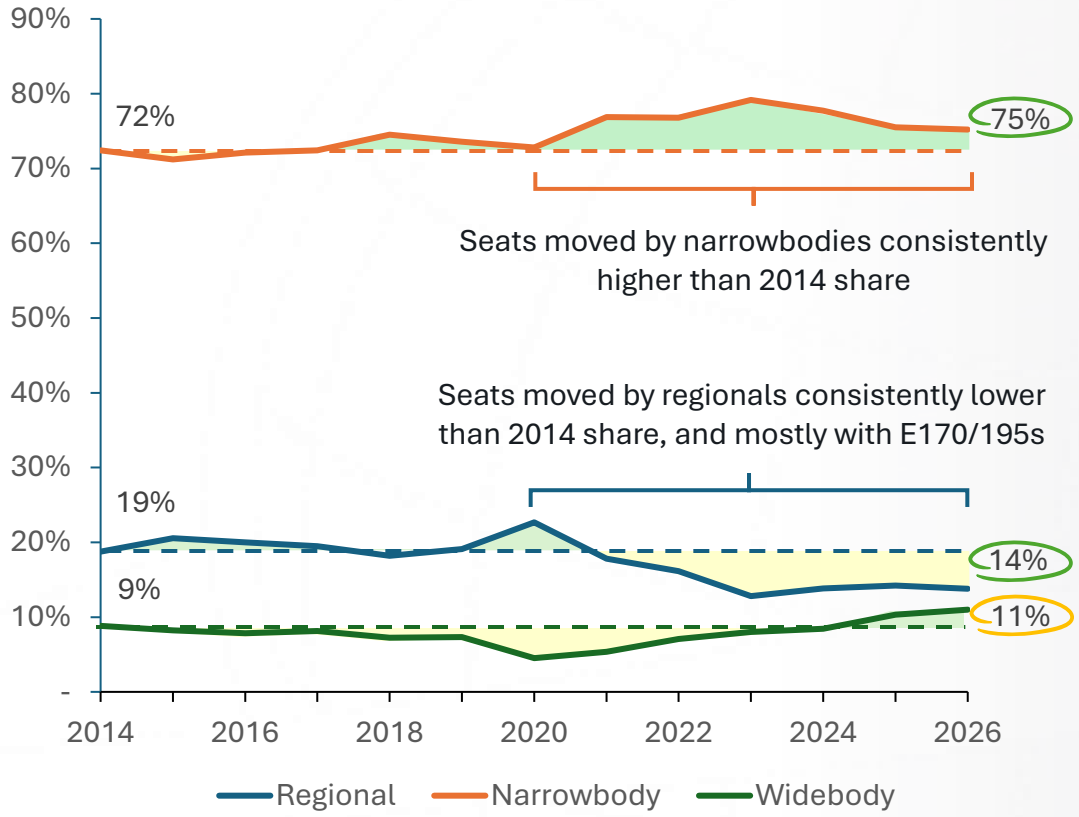
Airlines are using more narrowbody aircraft, compared to regional aircraft, over the last decade

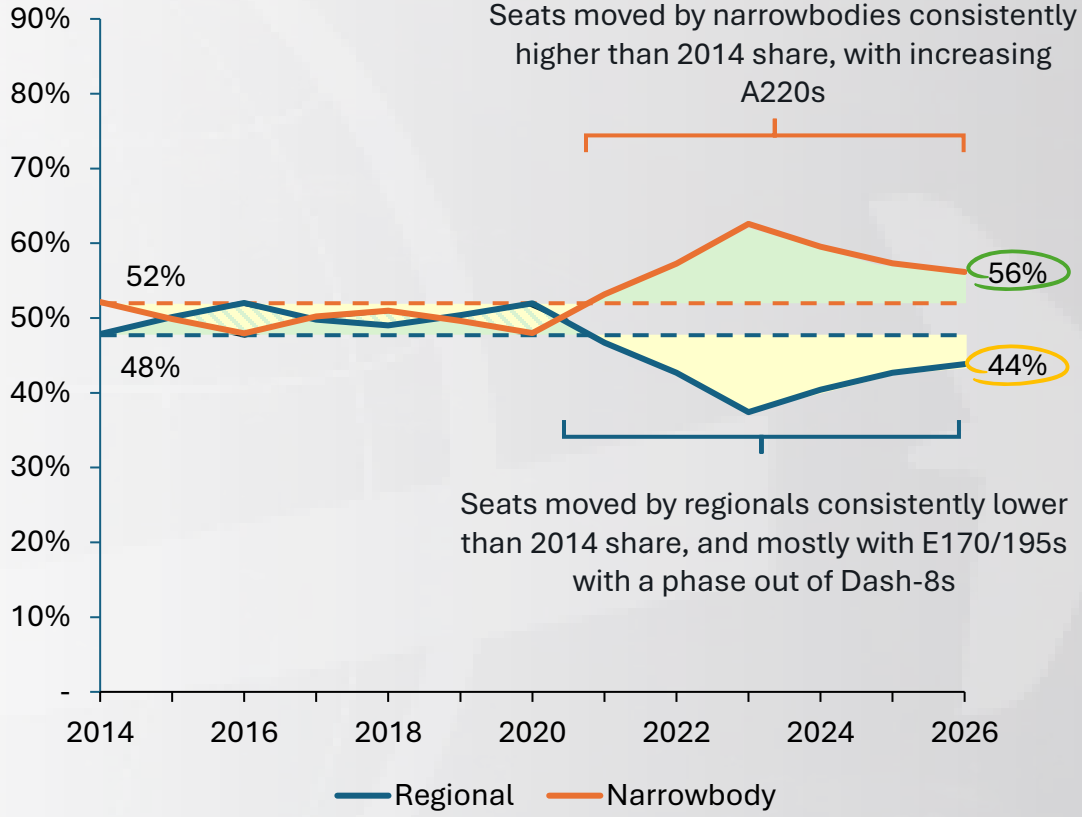
Seattle-Area Airport Seat Capacity Share by Fleet Type 2014-2026

% of Seats



Other-WA Airport Seat Capacity Share by Fleet Type 2014-2026

% of Seats



Source: Official Airline Guide, Steer analysis
Note: Seattle Airpo

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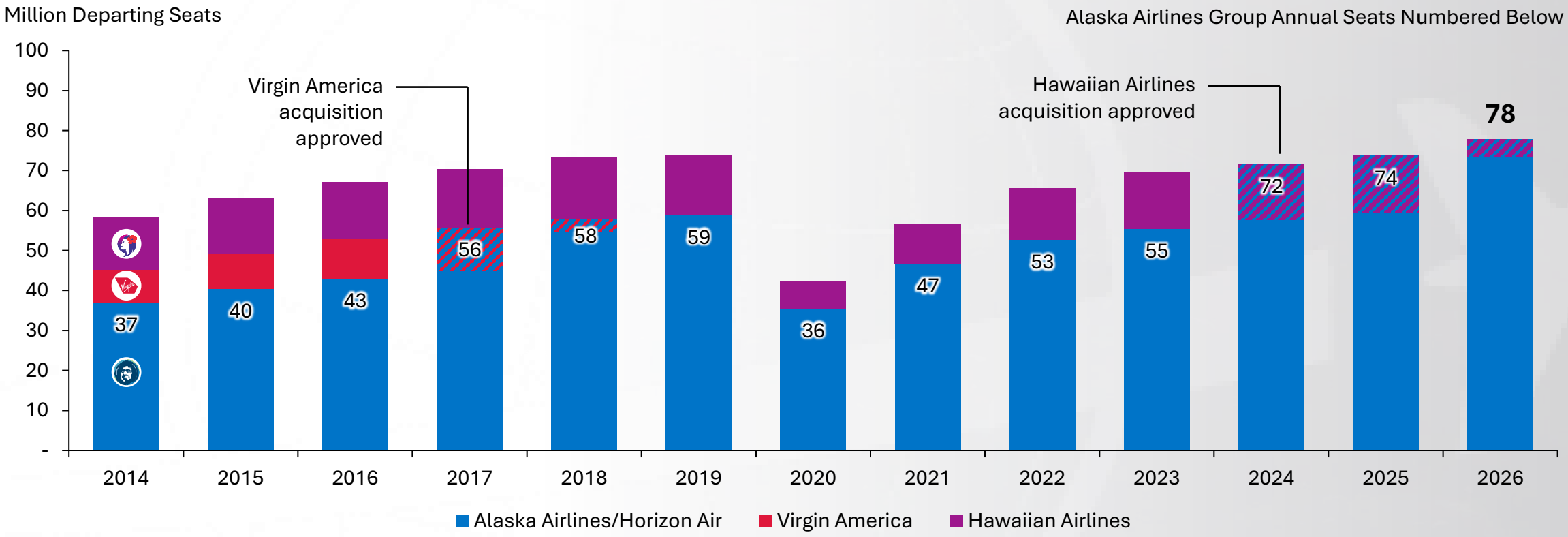
Alaska Airlines acquired Virgin America (2017) & Hawaiian (2024) to expand its domestic and international footprints

Alaska Airlines Group Seat Capacity by Carrier 2014-2026[1]



Source: Official Airline Guide, Steer analysis

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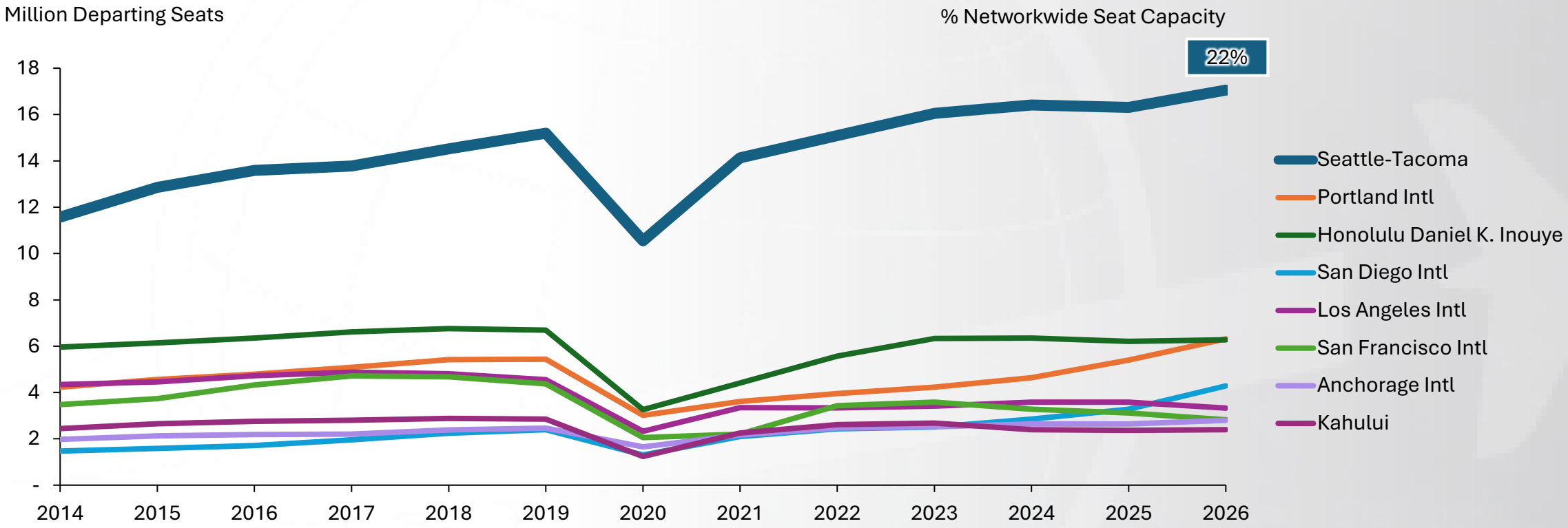
SEA is Alaska's largest hub, which is increasingly important with the expansion of its int'l network using Hawaiian's 787s

Alaska Airlines Group Hubs (includes Hawaiian Airlines and Virgin America) 2014-2026[1]



Source: Official Airline Guide, Steer analysis

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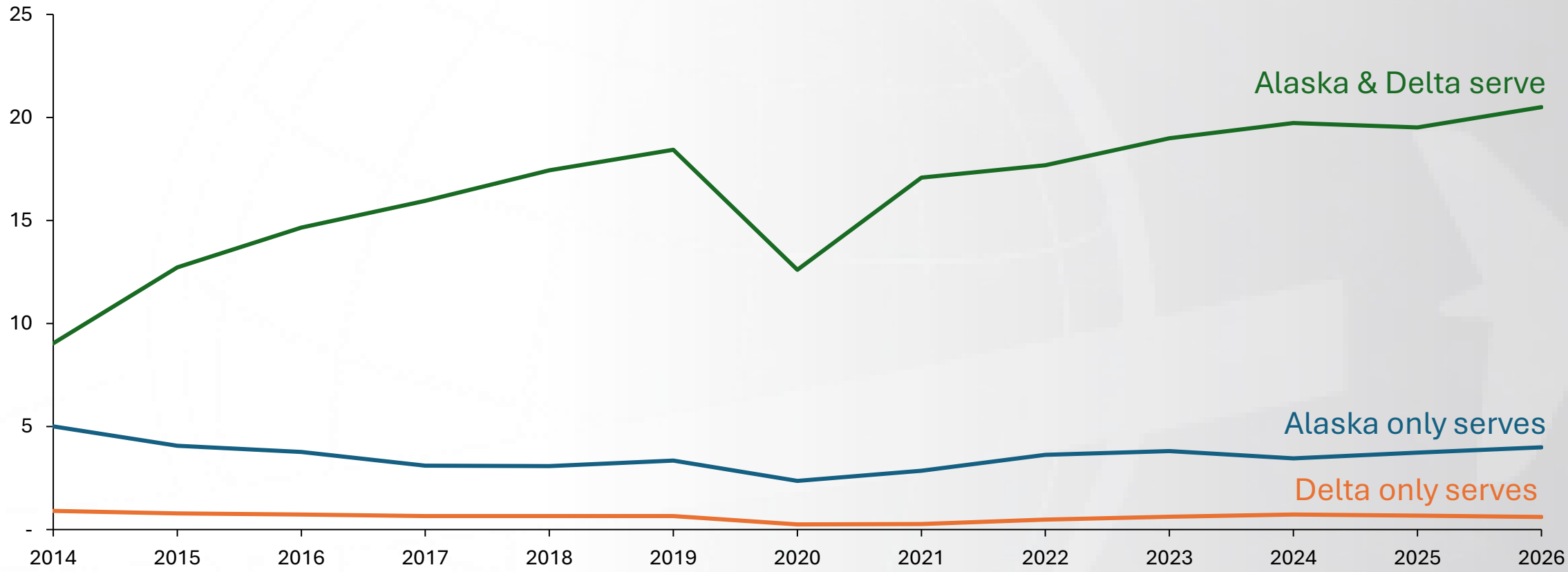
The Alaska Group and Delta rivalry remains fierce, with increasing route competition

SEA Seats Capacity by Airline Service Category 2014-2026
Million Seats



Source: Official Airline Guide, Steer analysis

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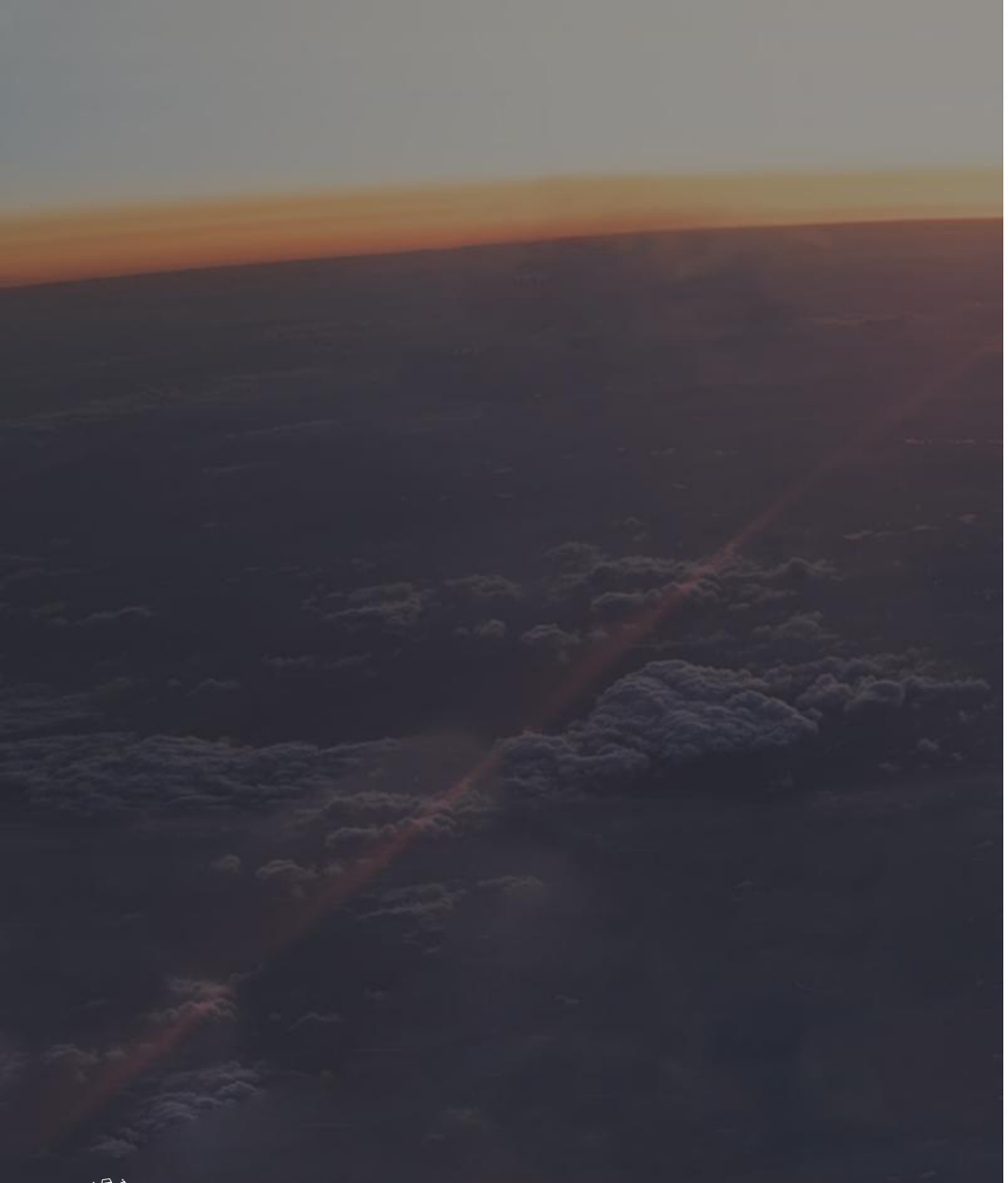

Contents

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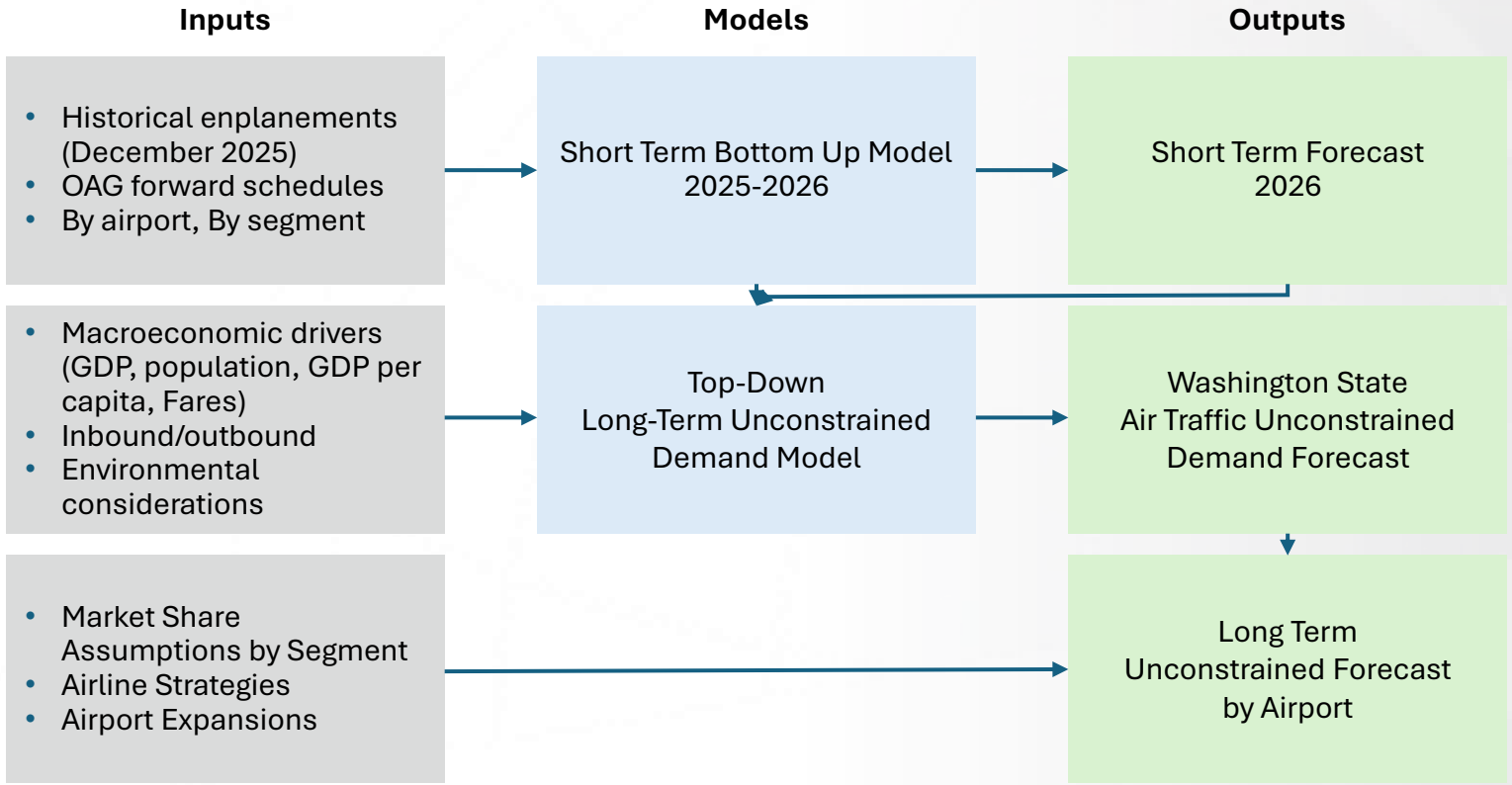
The forecast for WA State follows a methodology based on Schedules, Macroeconomic conditions and Market Shares

Approach Overview



- The methodology used to develop our annual traffic forecast is explained in the following pages which outline:
  - Short-Term Forecast Results & Assumptions (combined)
  - Long-Term Forecast Results
  - Long-Term Forecast Assumptions
- The annual traffic forecast methodology is based on the standard Bottom-Up/Top-Down forecasting approach used at many global airports.
- In the case of the top-down elements of the forecasts, the methodology uses traffic elasticities in combination with selected key drivers for each segment to determine future traffic growth rates.

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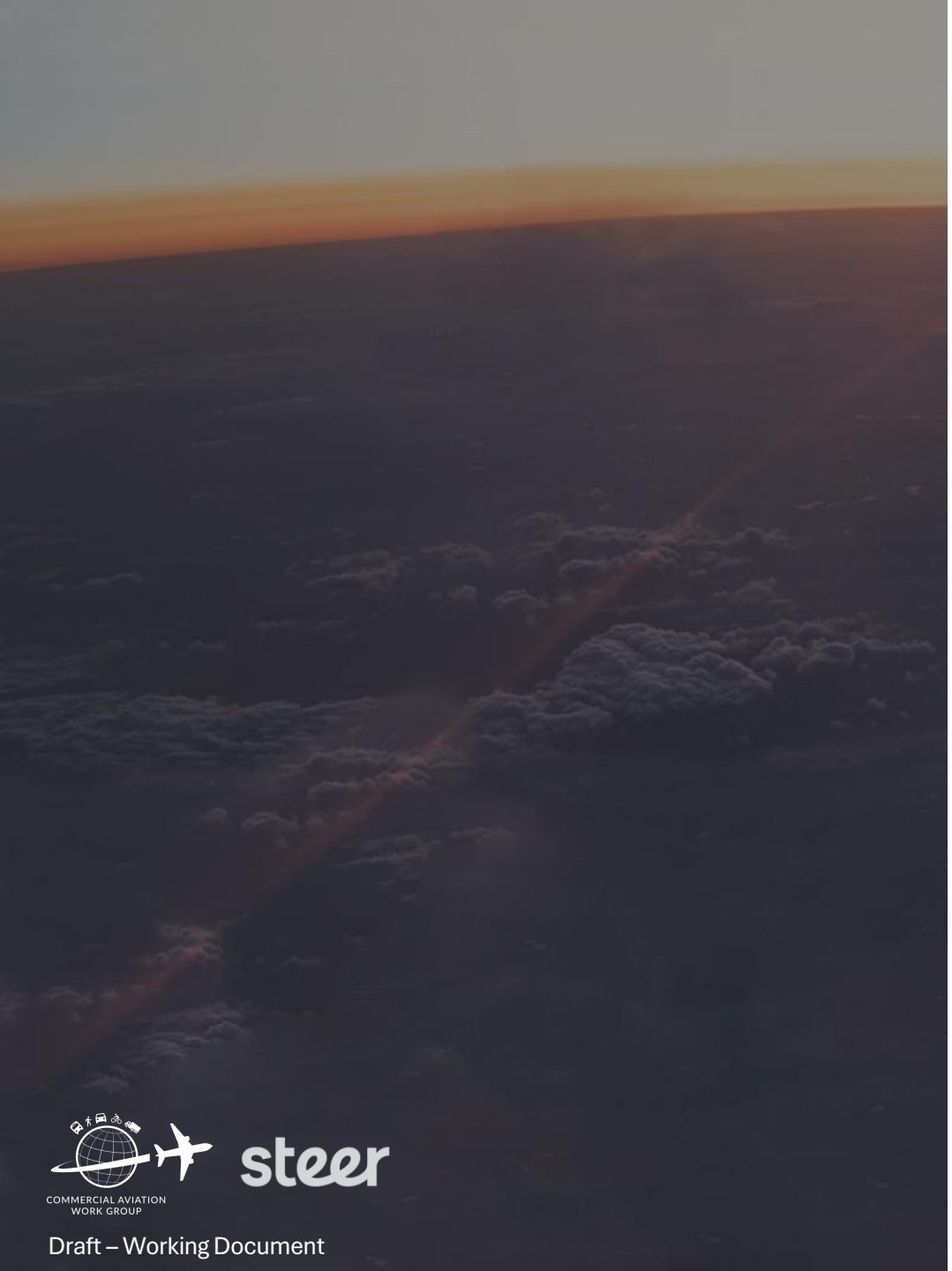

Contents

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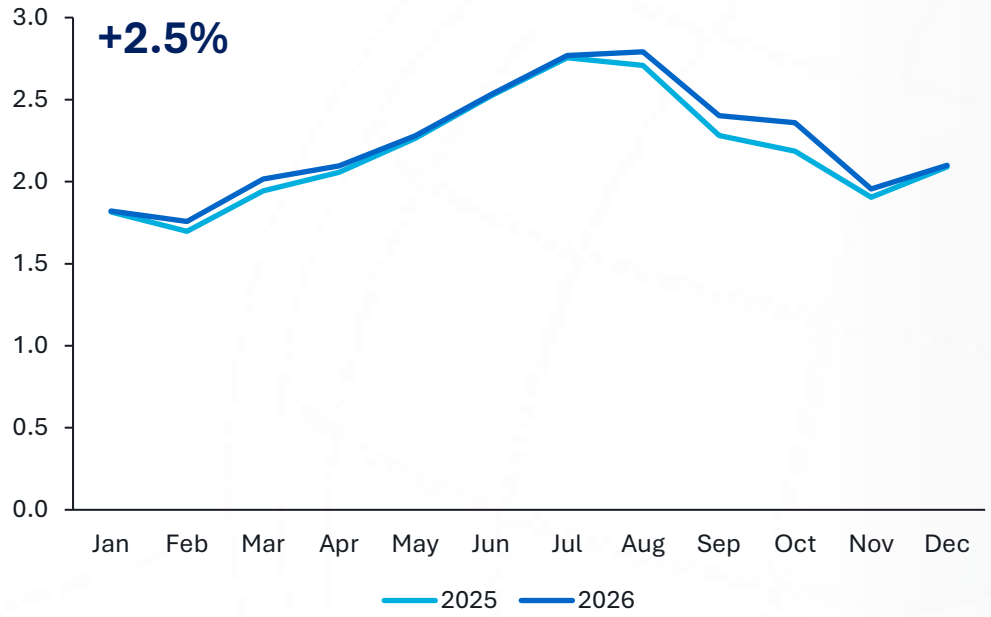
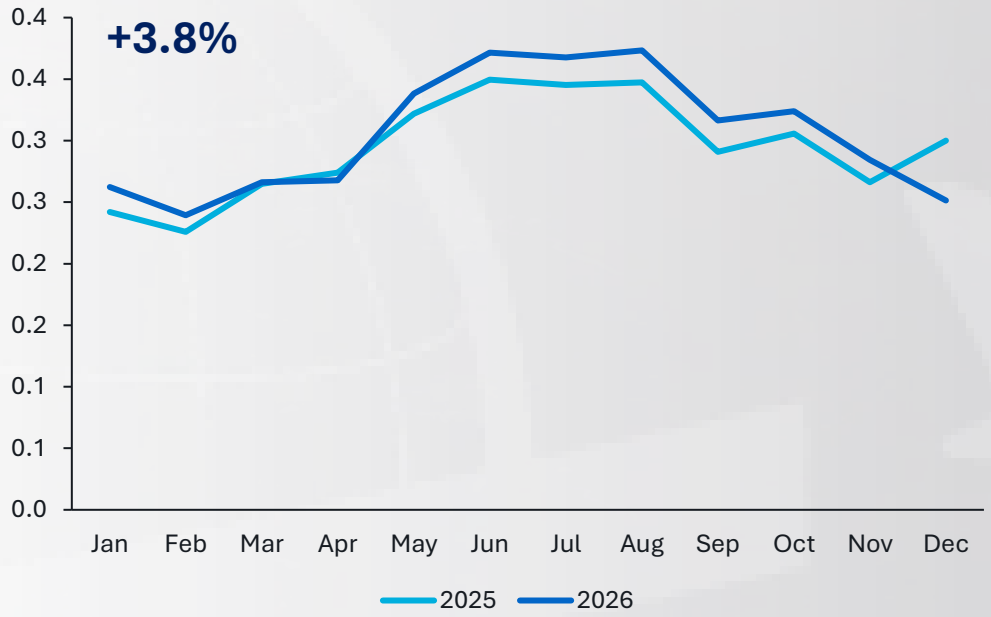
2026 Washington enplanements are expected to grow at 2.7%, driven by domestic (2.5%) and international (+3.8%)

Monthly Short-Term Forecast – Domestic
Enplanements (m)



Monthly Short-Term Forecast – International
Enplanements (m)



- 2026 Short Term Forecast is based on Schedules extracted the first week of April 2026. Given current geopolitical environment, airlines schedules could still be subject to decreases in Summer 2026 and Winter 26-27.

Source: OAG, T100, SEA, Steer

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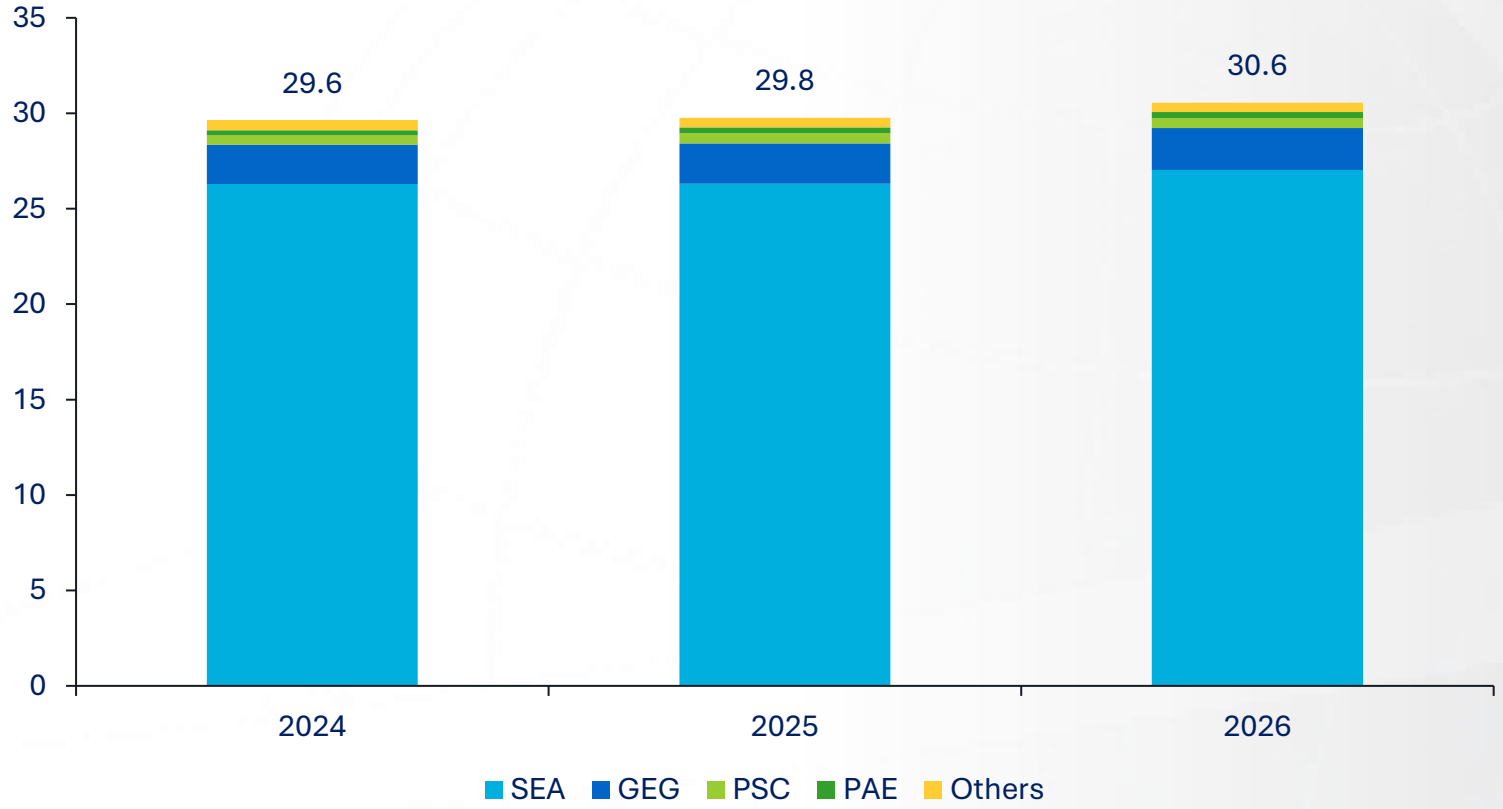
Washington's 2026 forecast to reach 30.6m enplanements, growing 2.7% vs. 2025

Short Term Forecast – WA State
Enplanements (m)

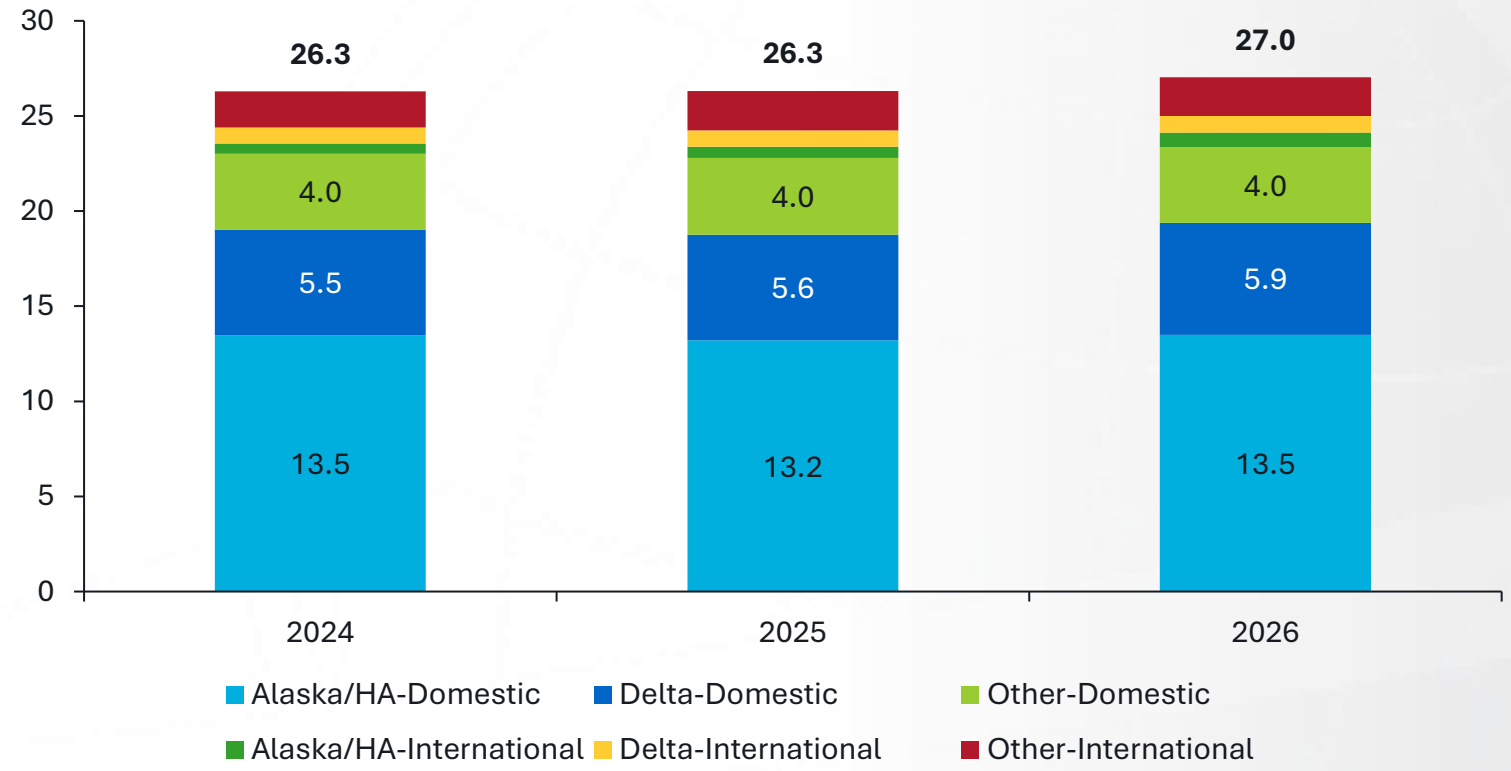


	2024	2025	2026	*2026%*
SEA	26.3	26.3	27.0	*+2.7%*
GEG	2.1	2.1	2.2	*+3.8%*
PSC	0.5	0.5	0.5	*(1.1%)*
PAE	0.3	0.3	0.3	*+3.5%*
Others	0.5	0.5	0.5	*(1.8%)*
Total	**29.6**	**29.8**	**30.6**	***2.7%***

Source: OAG, T100, SEA, Steer

SEA is assumed to reach 27m enplanements in 2026 (based on latest schedules), growing 2.7% vs 2025

Short Term Forecast - SEA
Enplanements (m)



By Segment	2026 %
Domestic	+2.6%
International	+3.8%
Total	**+2.7%**

By Airline	2026 %
Alaska/HA-Domestic	+2.2%
Delta-Domestic	+6.0%
Other-Domestic	(1.0%)
Alaska/HA-International	+24.0%
Delta-International	+2.7%
Other-International	(1.6%)
Total	**+2.7%**

Source: OAG, T100, SEA, Steer

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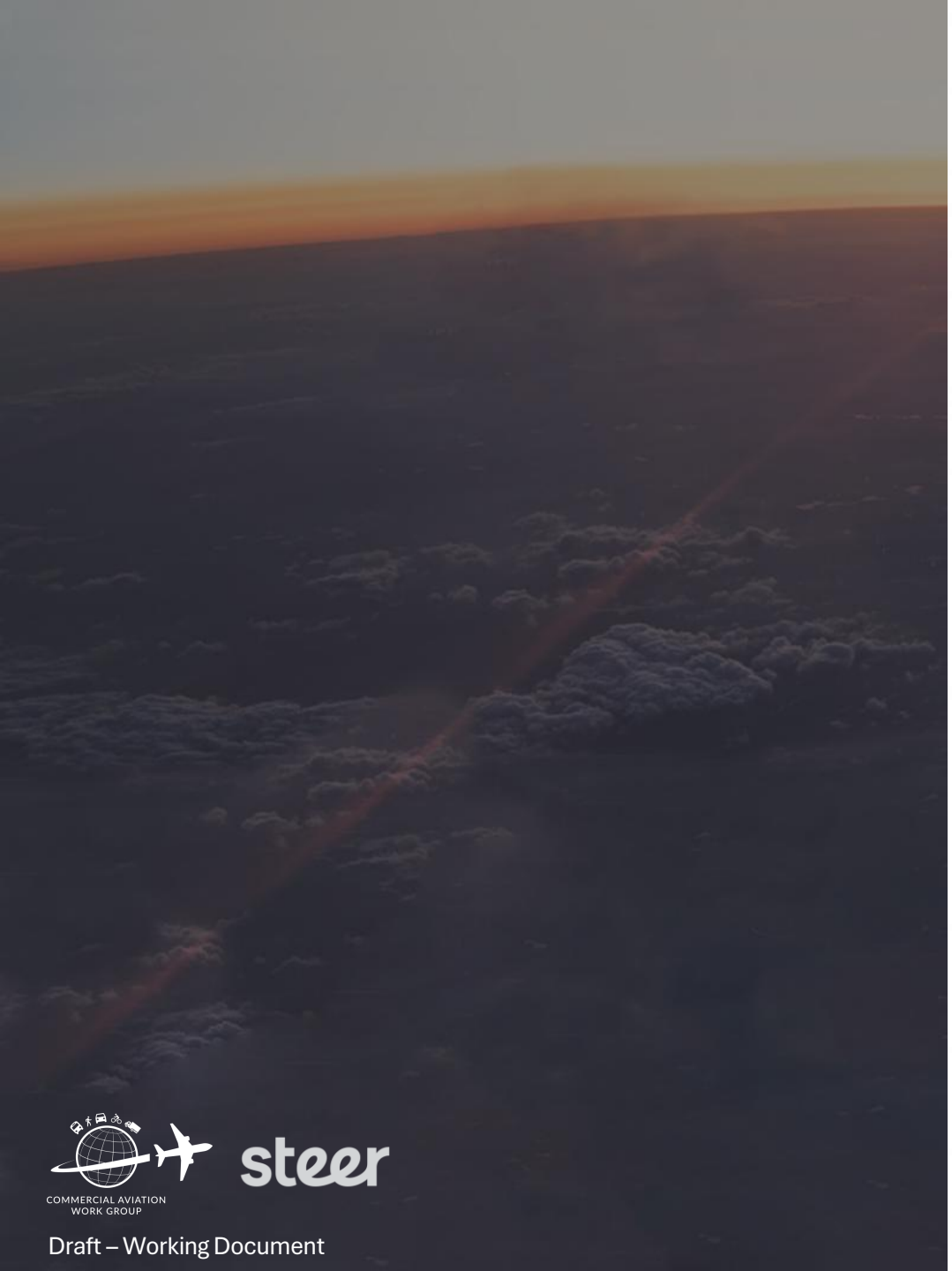

Contents

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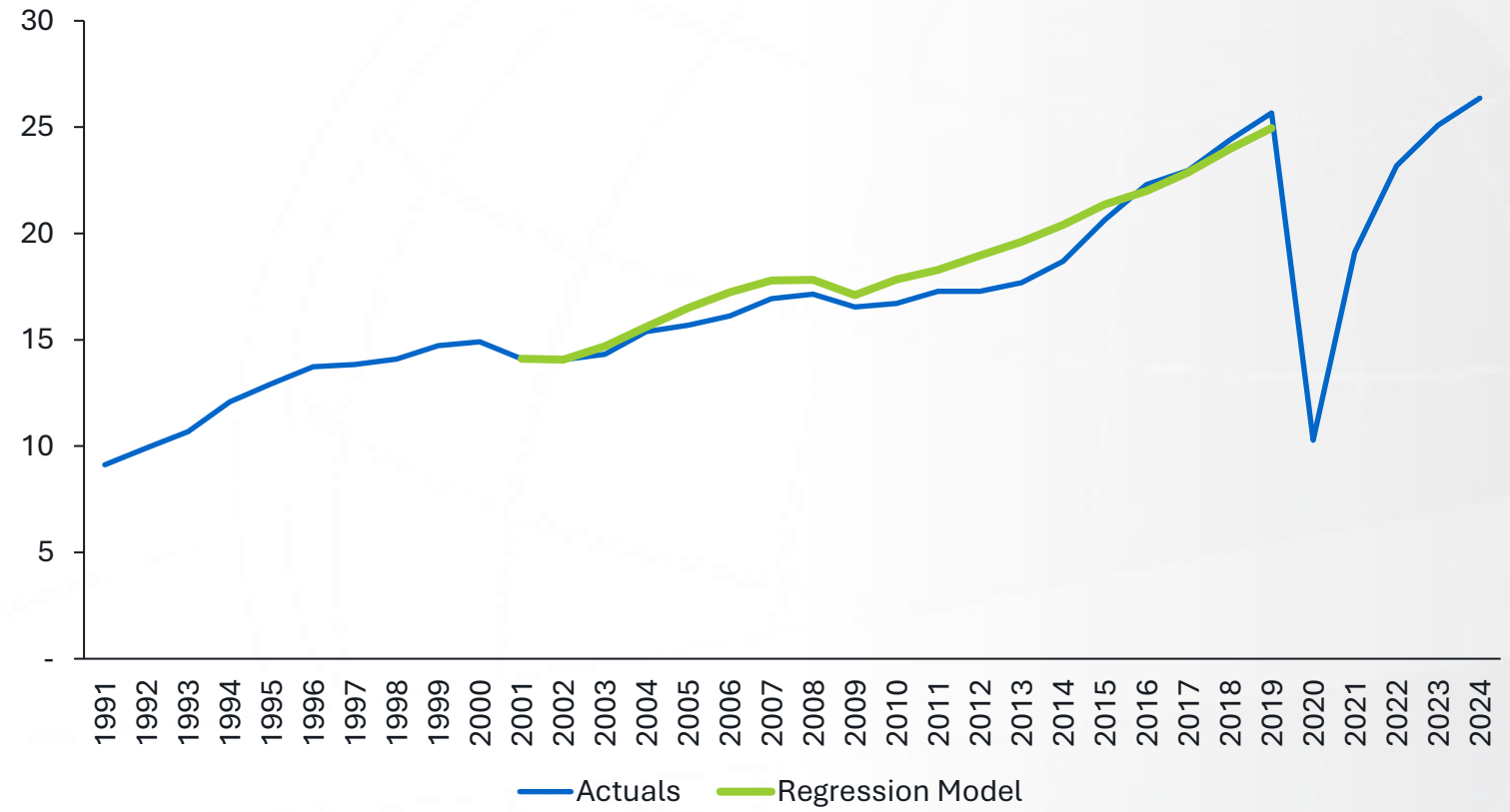
Steer's regression model based on U.S. GDP reproduces the long-term growth observed in the region

Domestic Regression 2003-2019
Enplanements (m)



Source: BTS T100, IMF, SEA, Steer

- We tested linear time series regression models to understand the relationships between domestic passenger traffic and macro-economic drivers such as GDP.
- We tested the elasticity estimates against historical traffic, and the selected regression model produced an accurate domestic passenger traffic estimate, tracking the historical traffic trend.

Regression Results

Type of Regression	Linear Log-Log YOY %
Driver	U.S. GDP
Years	2003-2019
R^2	75%
Elasticity to GDP	1.6

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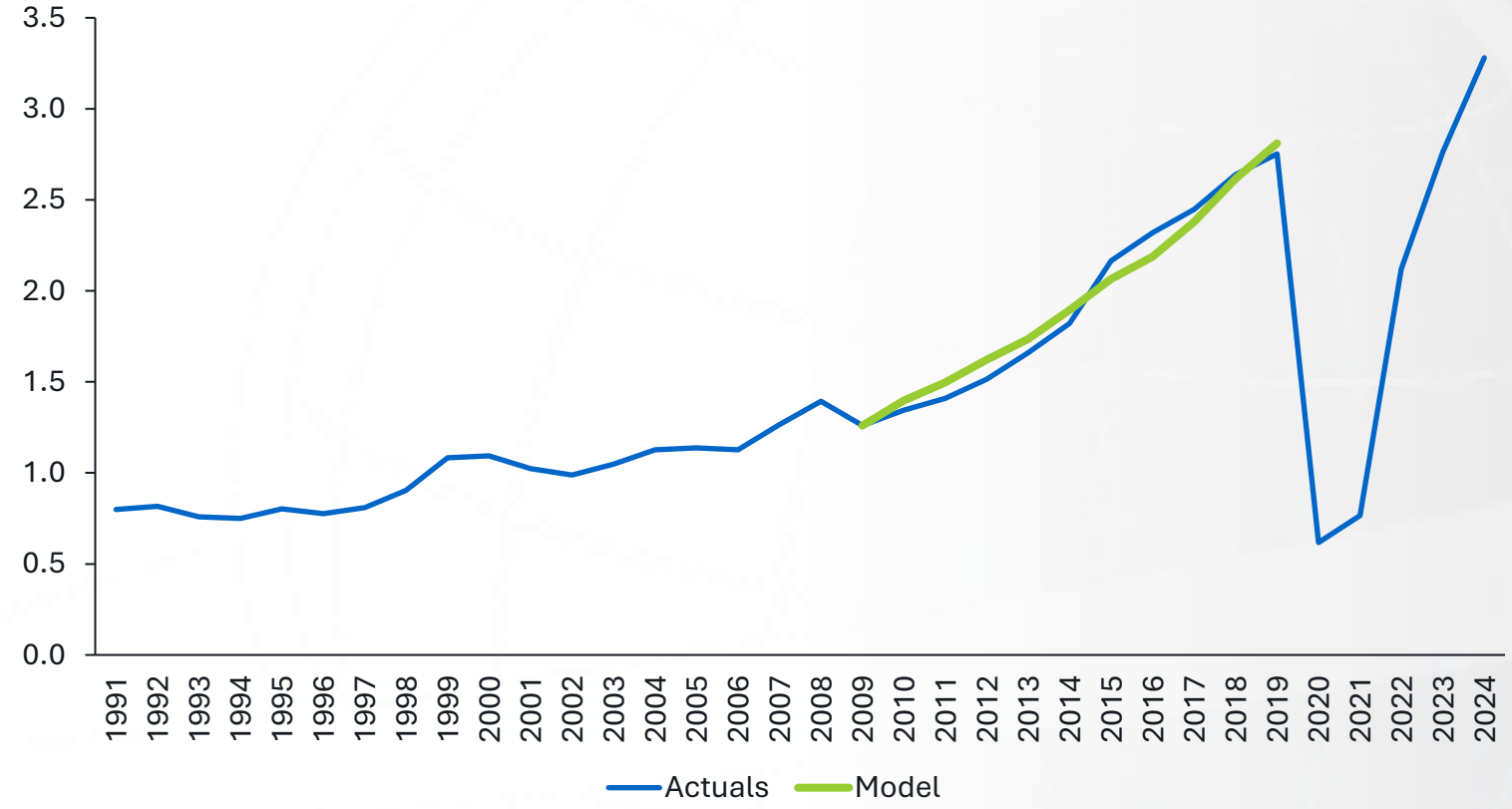
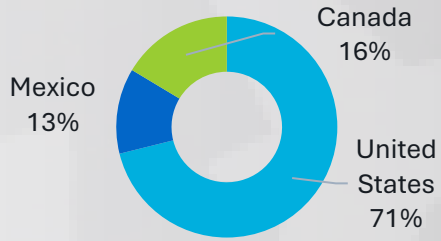
International traffic has been measured against a blended GDP based on market origins (ticket Points of Sale)

International Regression 2010-2019
Enplanements (m)



Source: BTS T100, IMF, SEA, Steer

- We tested linear time series regression models to understand the relationships between international passenger traffic and macroeconomic drivers.
- The GDP used is a blend based on tickets Point of Sale. This is used as a proxy for Passenger's residencies to correlate international trips to the correct driver for growth.



Regression Results

Type of Regression	Linear Log-Log YOY %
Driver	Blended GDP
Years	2002-2019 (Dummy 2006)
R^2	82%
Elasticity to GDP	3.9

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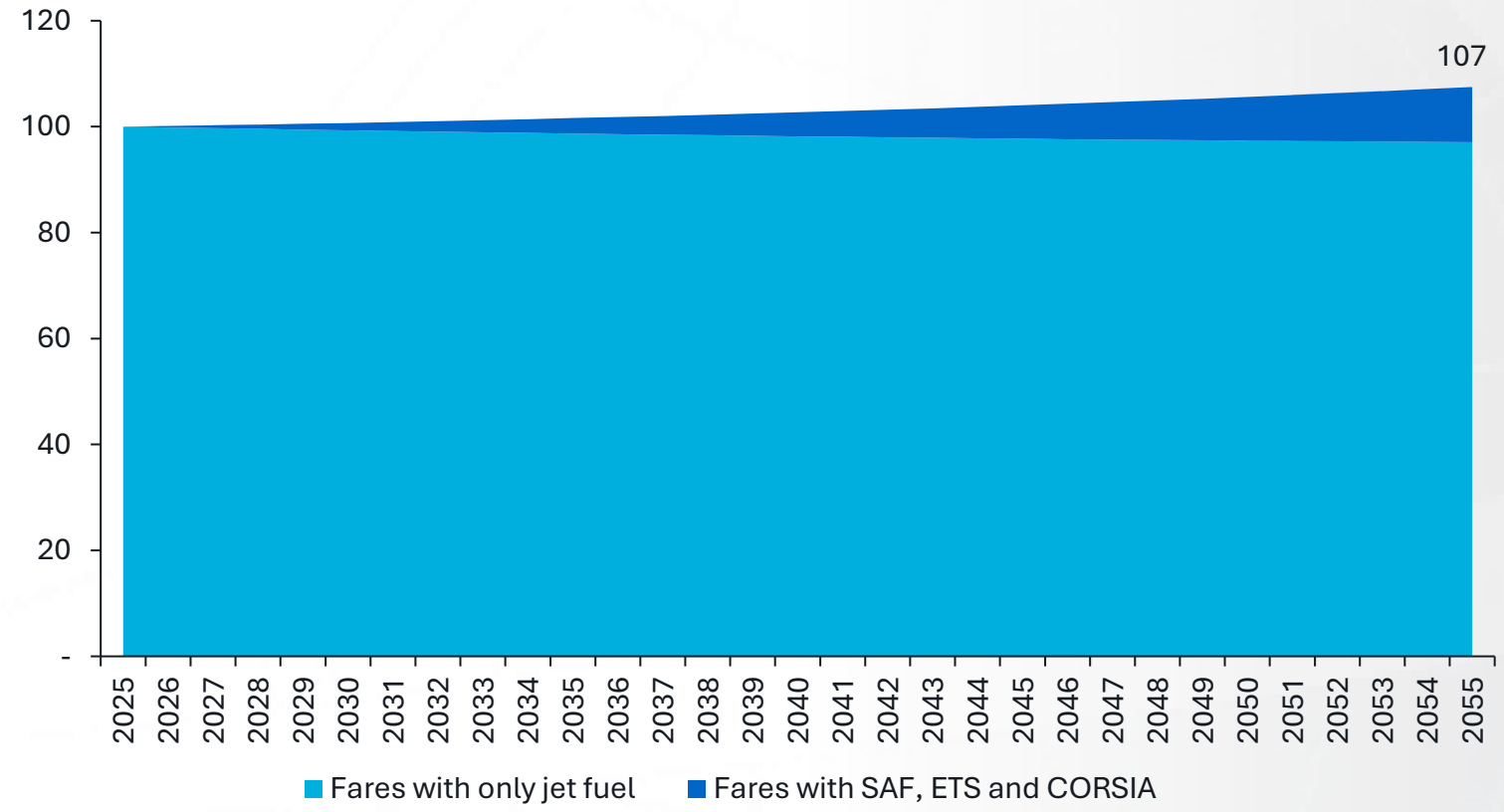
Air fares are a driver for long-term demand. They are assumed to increase at a CAGR of 0.2% (2025-55)

Fare Change Assumptions 2025-2055
Index 100 = 2025



Source: Steer analysis

- Demand for air travel is inversely related to price; demand increases when airfares decrease and decreases when airfares increase.
- Fares are used as an assumption in our model only post bottom-up period (after 2026).
- Fares used for this exercise reflect EIA March 2026 Short Term Update on jet fuel price

To estimate fare price increase we based our assumptions on the development of Sustainable aviation fuel, ETS and CORSIA

Category	Regulations Description	Assumptions for WA State
Sustainable Aviation Fuel	• The European Union (EU) has established a progressive plan to introduce Sustainable Aviation Fuel (SAF) through the RefuelEU initiative, with the objective of increasing SAF usage at EU airports from 2% in 2025 to 70% by 2050. • The United States employs an incentive-based policy framework to promote the adoption of SAF.	• SAF mandates from 2028 to 2030 assumed: 1% in 2028 to 3% in 2030. • From 2030 to 2065 assumed similar increase as EU (ReFuelEU Aviation SAF mandates) but with a delay of 10 years.
Emission Trading System	• The EU ETS is the main system for trading greenhouse gas emission allowances, aiming to cut CO_2 emissions in industry and aviation. • The UK and Switzerland have adopted similar programs. The US currently lack mandatory ETSs for aviation, but such systems may be developed soon.	• Airlines are expected to face increasing carbon-related costs globally (through ETS systems, SAF mandates, and corporate decarbonization strategies), which will be partially passed through to fares. Post 2030 we assumed a carbon price increase at CAGR 2030-65 of 1.4% (half the growth forecast for the UK).
International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)	• The CORSIA project, launched by ICAO, aims to manage CO_2 emissions from international flights. • Its goal is to keep international aviation's carbon growth neutral, using 85% of 2019 emissions as a baseline. Airlines are required to buy carbon credits to offset any emissions above this baseline. Participation is voluntary until 2026, but from 2027 onward, it becomes mandatory.	• We assumed an increase in tariff caused by Corsia starting from 2027, when it will begin mandatory. • To assess tariff increase caused by CORSIA, we applied the “Mid scenario” price for emission units, as determined by ICAO (12.9 USD per tonne of CO_2). Subsequently, we calculated the annual offset requirement under CORSIA by considering year-over-year traffic growth compared to 2019 levels since CORSIA identified a 85% of 2019 emissions as a baseline.

Source: Steer analysis

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Income elasticities are assumed to decrease over time to account for market maturity

Income and Fares Elasticities Assumptions

Segment	Driver	2027-35	2035-45	2045-55
Domestic	Elasticity to GDP (Income Elasticity)	1.3	1.1	0.9
United States GDP	Annual Change (Average)	+1.84%	+1.75%	+1.75%
International	Elasticity to GDP	2.8	2.0	1.4
International Blended GDP	Annual Change (Average)	+1.61%	+1.55%	+1.55%
Fares	Elasticity	-0.4	-0.4	-0.4
Fares Change	Annual Change (Average)	+0.2%	+0.2%	+0.3%

Source: International Monetary Fund, Official Airline Guide, Steer analysis

- The table shows the assumptions used for income and fares elasticities in the medium and long term.
- Income elasticities are assumed to decrease in line with industry standards, to account for maturity of the market and propensity to fly of inbound and resident travelers.
- Elasticity to fares is set at an industry high level benchmarked value of -0.4

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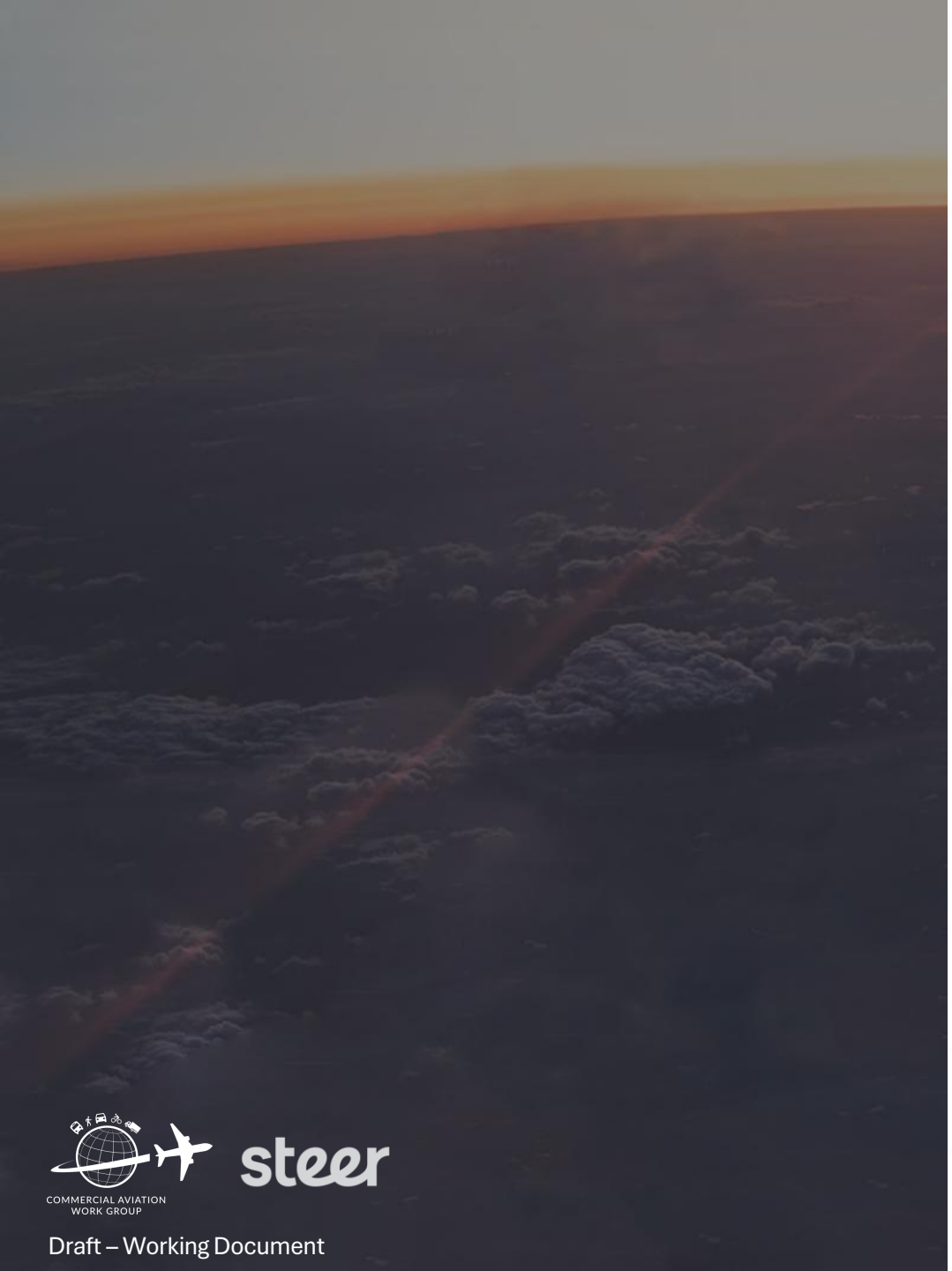

Contents

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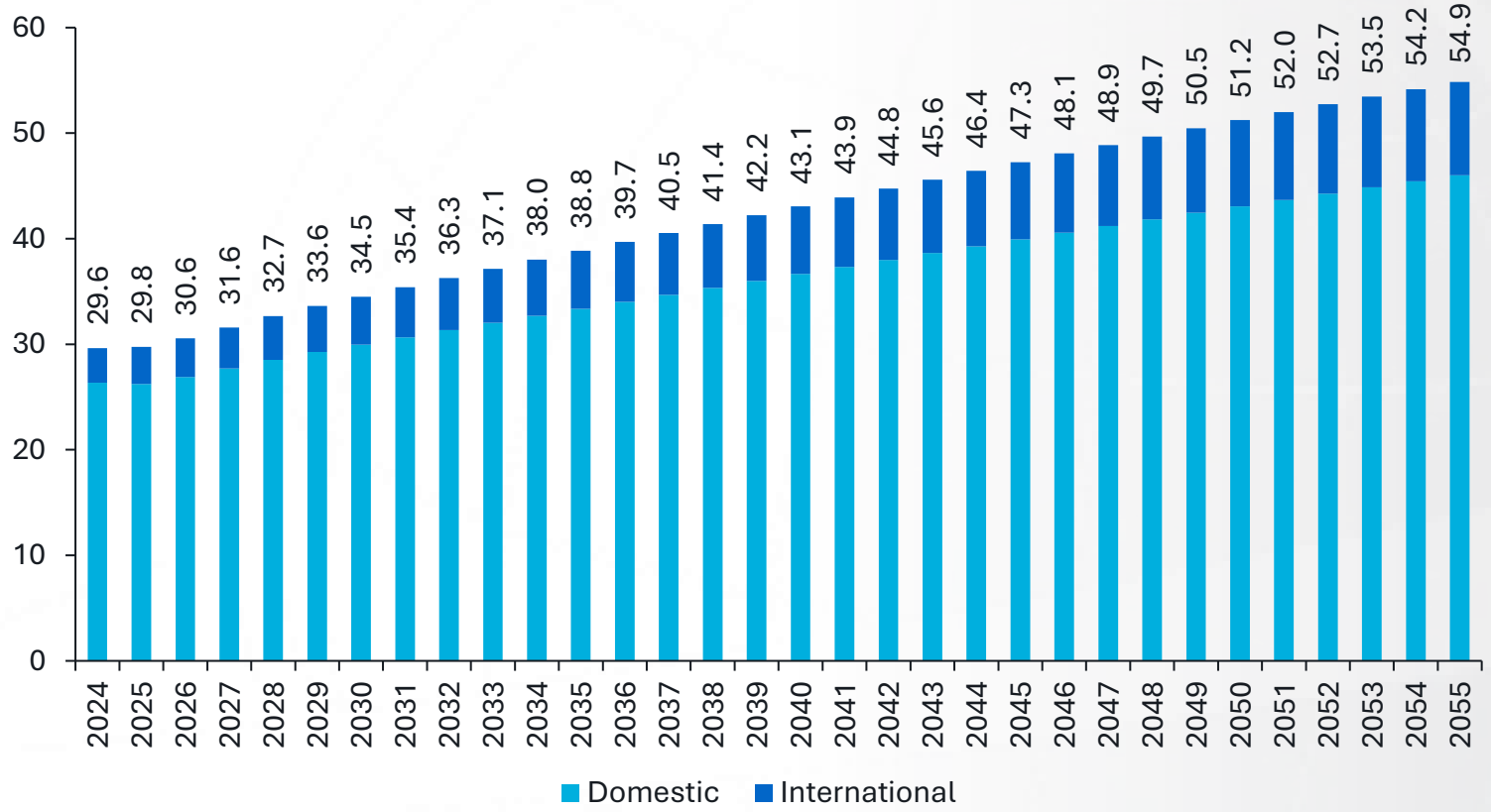
Unconstrained Demand at WA State level is assumed to grow at 2.1% in the long-term, reaching 55m epax in 2055

Long Term WA State Forecast
Enplanements (m)



	2025-2035	2035-2055	2025-2055
Domestic	+2.4%	+1.6%	+1.9%
International	+4.5%	+2.4%	+3.1%
Total	**+2.7%**	**+1.7%**	**+2.1%**

Source: Steer analysis

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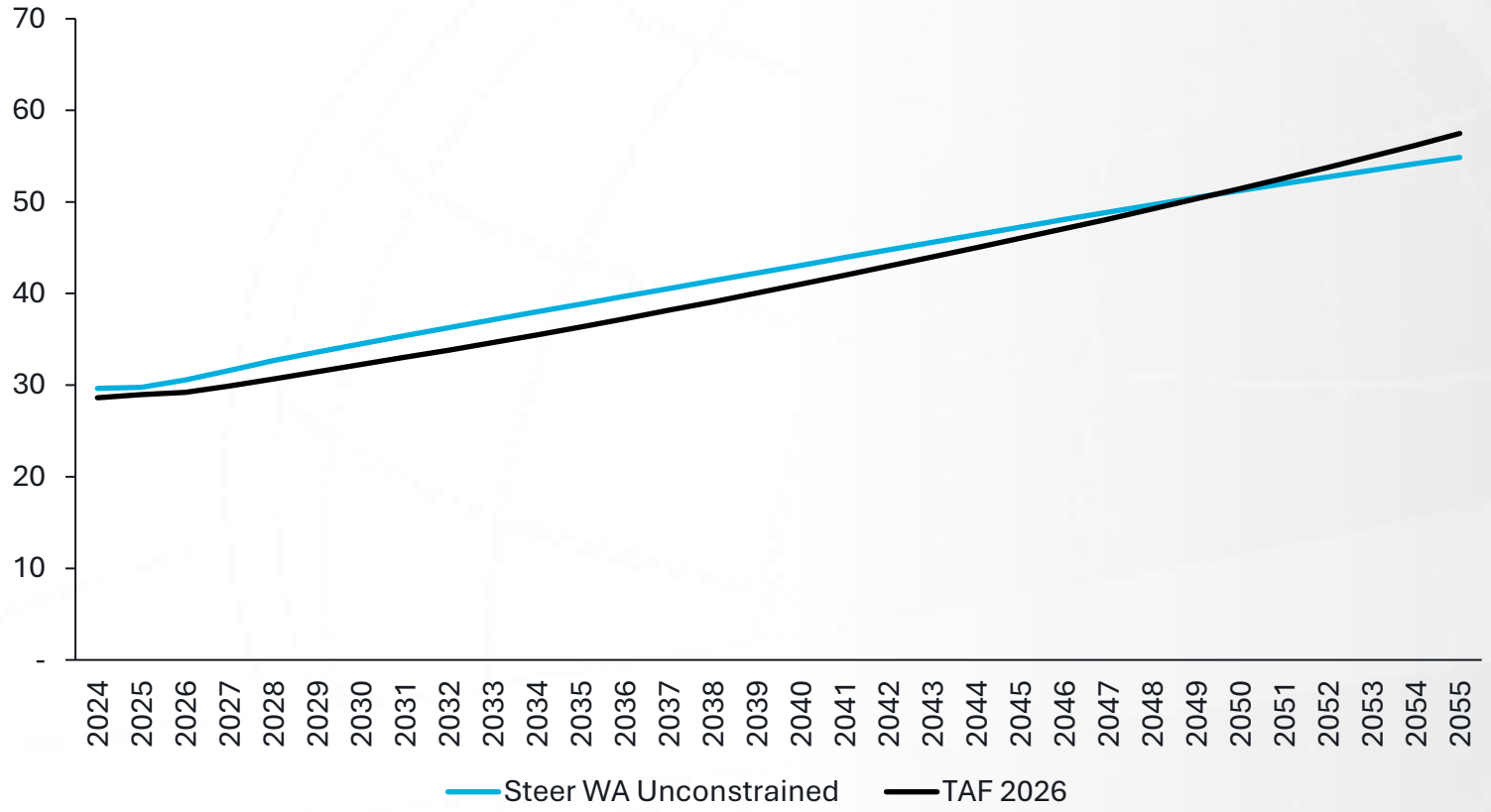
Over the next 30 yrs forecast is in line with TAF; however, with different growth rates in the short vs long term

Long Term WA State Forecast
Enplanements (m)



- TAF Forecast is quite stable at 2.3% average across the whole period.
- Steer forecast includes a 2026 Short Term forecast based on latest schedules and include considerations about market maturity, propensity to fly and environmental issues (fuel and green-schemes).

	2025-2035	2035-2055	2025-2055
Steer WA	**+2.7%**	**+1.7%**	**+2.1%**
FAA TAF '26	+2.3%	+2.3%	+2.3%

Source: FAA TAF, Steer analysis

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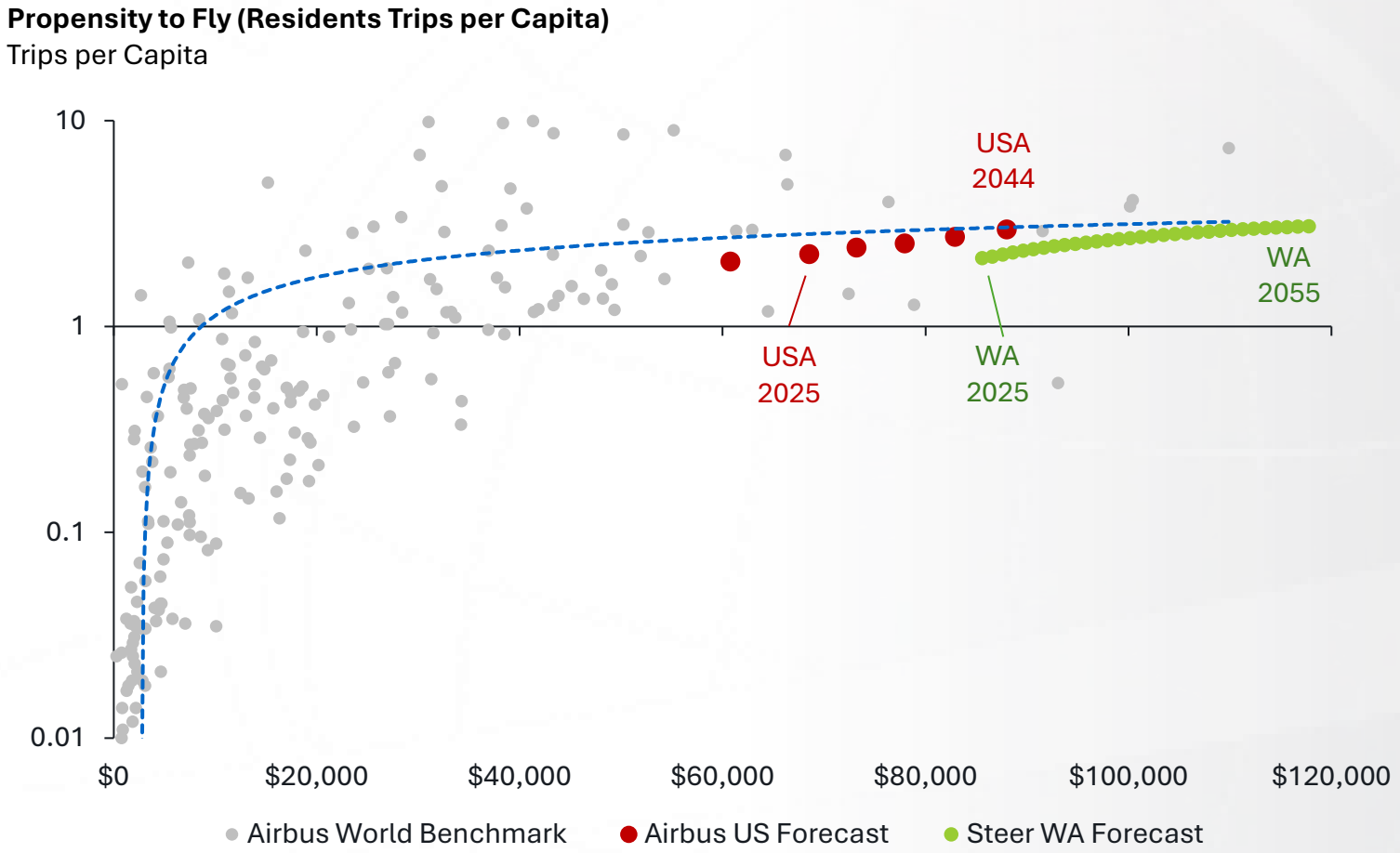
Unconstrained demand forecast is in line with Airbus' forecast evolution of propensity to fly



Source: Airbus, Steer analysis

- Propensity to Fly measures the number of annual trips per capita that residents are undertaking at a certain level of GDP/Capita.
- USA totaled approximately 2.3 trips/capita in 2025 at 70,000 USD GDP/Capita ($2017).
- Steer forecasts WA region to grow up to 55m enplanements in 2055 resulting in a number close to 3 trips per capita in 2055, in line with Airbus Benchmark.
- This is obtained under the assumption of a similar level of O&D trips and Outbound share as observed historically and a population growth of 0.9% between 2025 and 2055.

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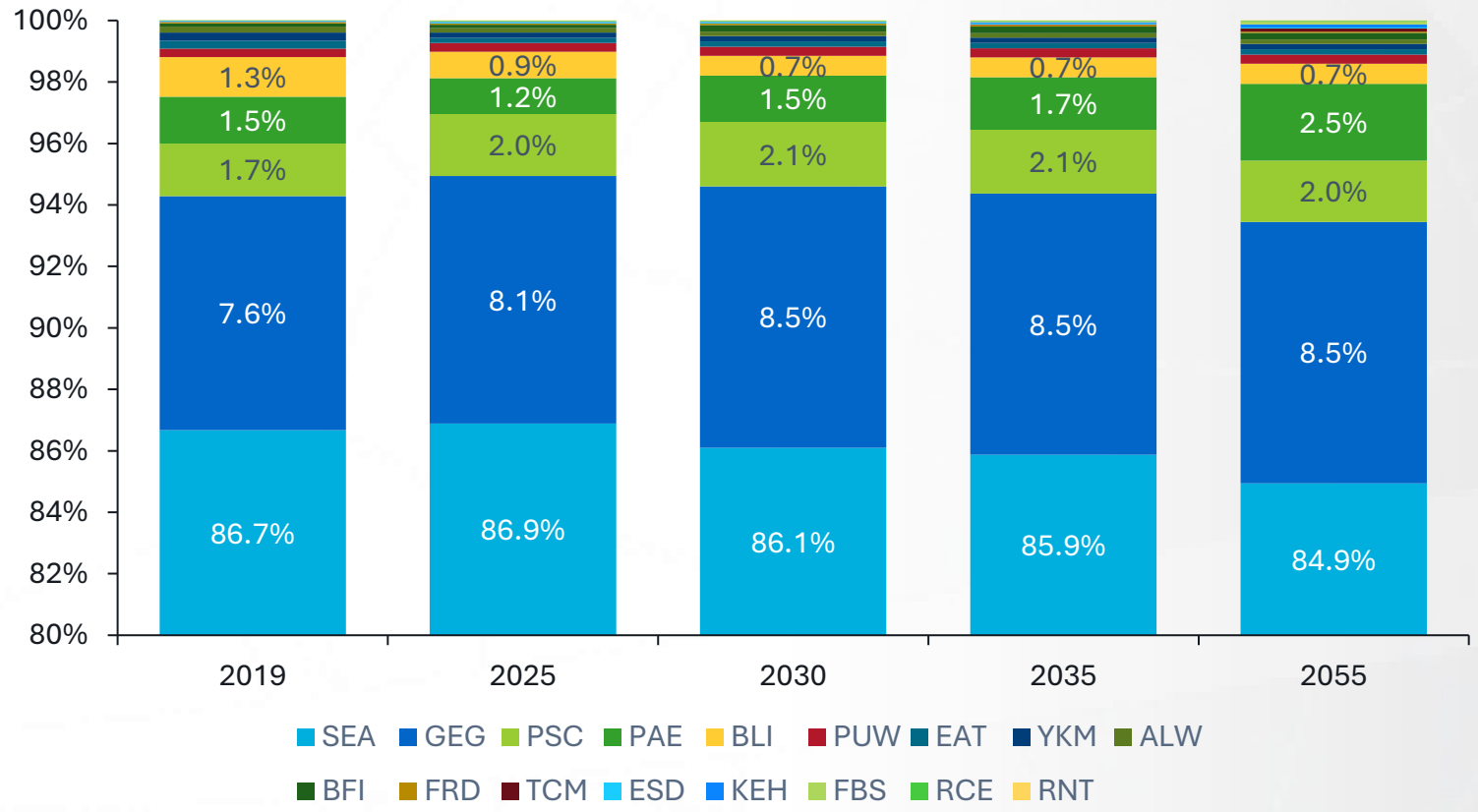
While SEA has been stable in the past, we assume airports like GEG and PAE will gain future domestic market share

Long Term WA State Forecast
Market Share of Domestic Volumes



Source: Steer analysis

- Unconstrained Domestic demand is allocated at different airport based on historical and current market shares.
- Adjustments have been made for medium-long term to account for trends and industry insights.
- In particular:
  - Spokane continuing its growth driven by TREX Expansion program and gaining market share.
  - PAE Pain Field expansion to +12 new gates between 2030 and 2040

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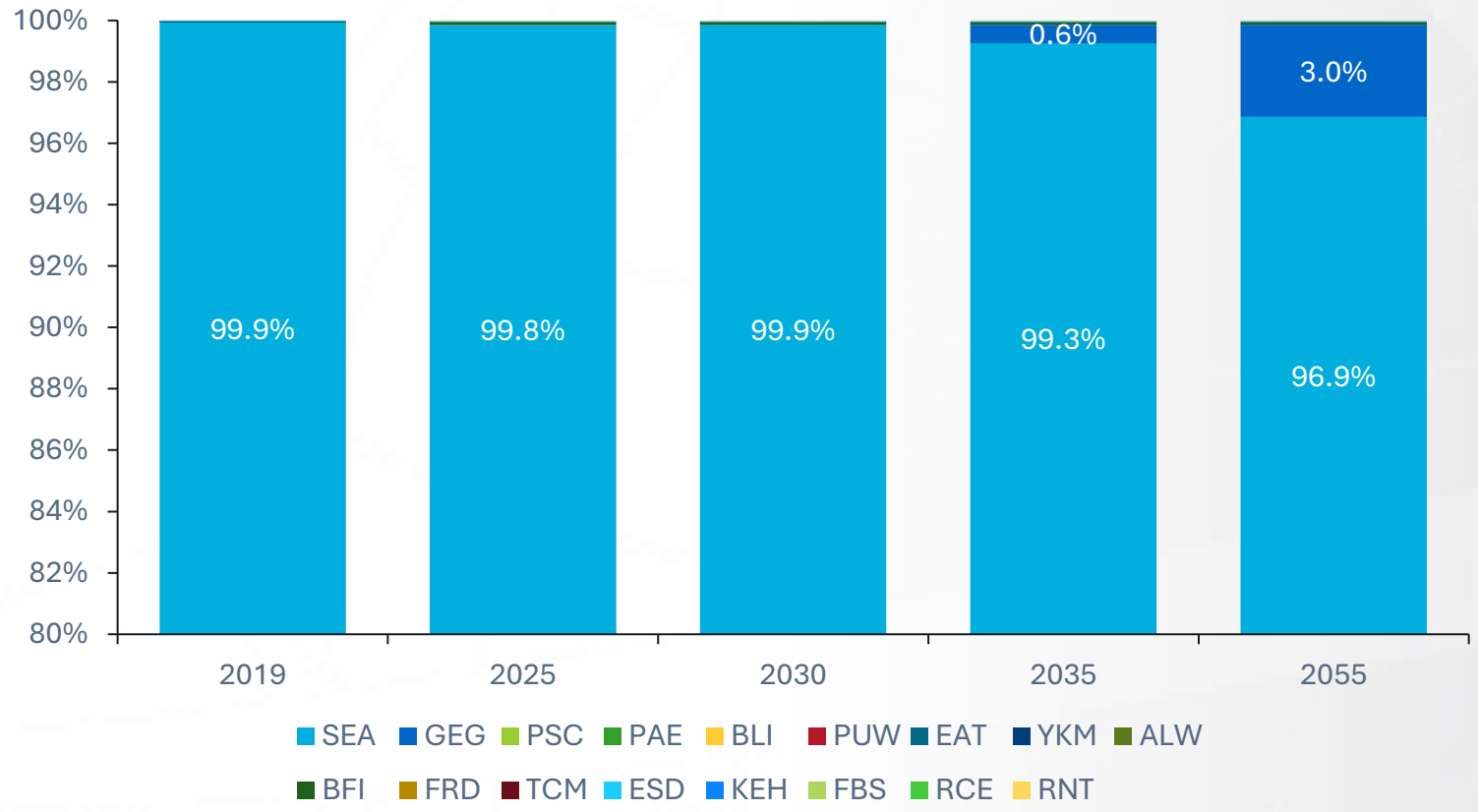
International services will still be dominated by SEA. We assume GEG will begin international ops post 2030

Long Term WA State Forecast
Market Share of International Volumes



Source: Steer analysis

- Unconstrained International demand is allocated at different airport based on historical and current market shares.
- Currently SEA operates almost all International passengers with the remaining activity split by BFI, KEH, FBS.
- We assumed that an airport reaching approx. 2.5m enplanements will then start International commercial services. This is the case of Spokane GEG which we assume to start International operations in 2031.

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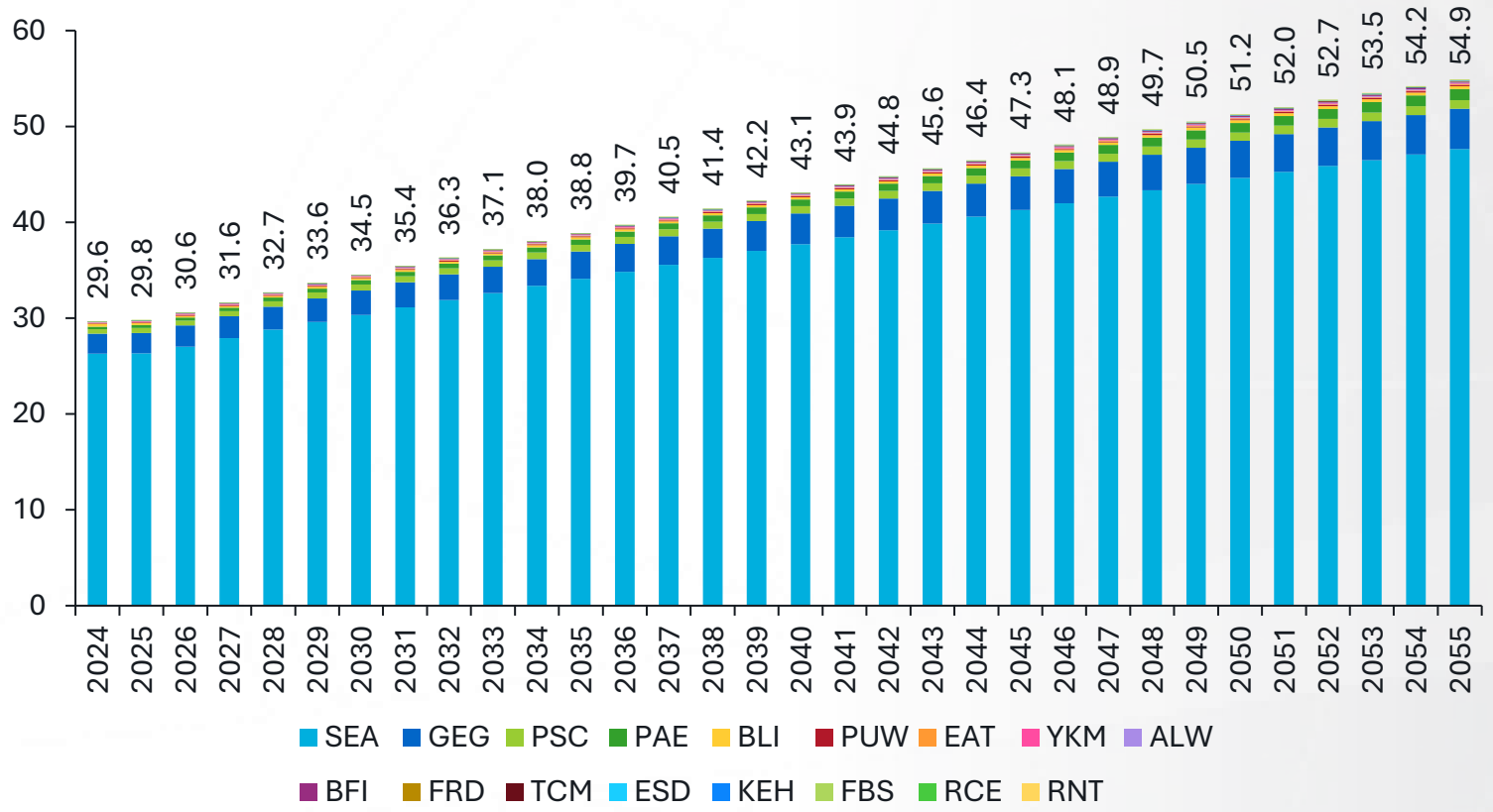
Enplanements at State level will grow at 2.1% between 2025 and 2055 for a total of 55 million enplanements

Long Term WA State Forecast
Market Share of Domestic Volumes



Epax (m)	2025	2055	2025-55
SEA	26.32	47.65	+2.0%
GEG	2.11	4.18	+2.3%
PSC	0.53	0.92	+1.9%
PAE	0.31	1.15	+4.5%
BLI	0.23	0.30	+1.0%
PUW	0.07	0.13	+2.0%
EAT	0.04	0.08	+2.1%
YKM	0.05	0.08	+1.8%
ALW	0.04	0.07	+1.8%
BFI	0.03	0.11	+4.3%
FRD	0.01	0.02	+2.1%
TCM	0.00	0.05	n/a
ESD	0.01	0.02	+1.9%
KEH	0.01	0.05	+6.5%
FBS	0.01	0.05	+7.3%
RCE	0.00	0.01	+2.4%
RNT	0.00	0.00	+1.8%
Total	**29.76**	**54.86**	**+2.1%**

Source: Steer analysis

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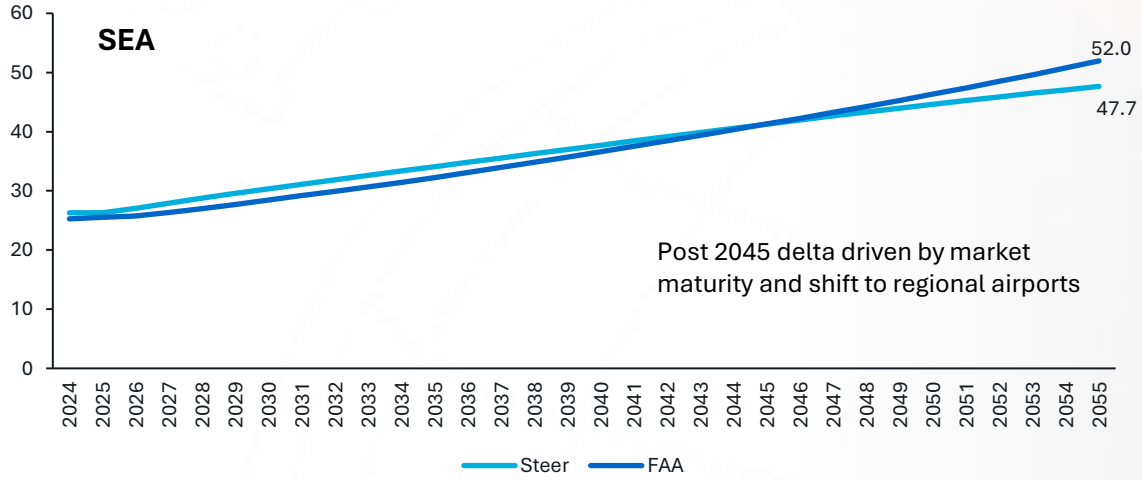
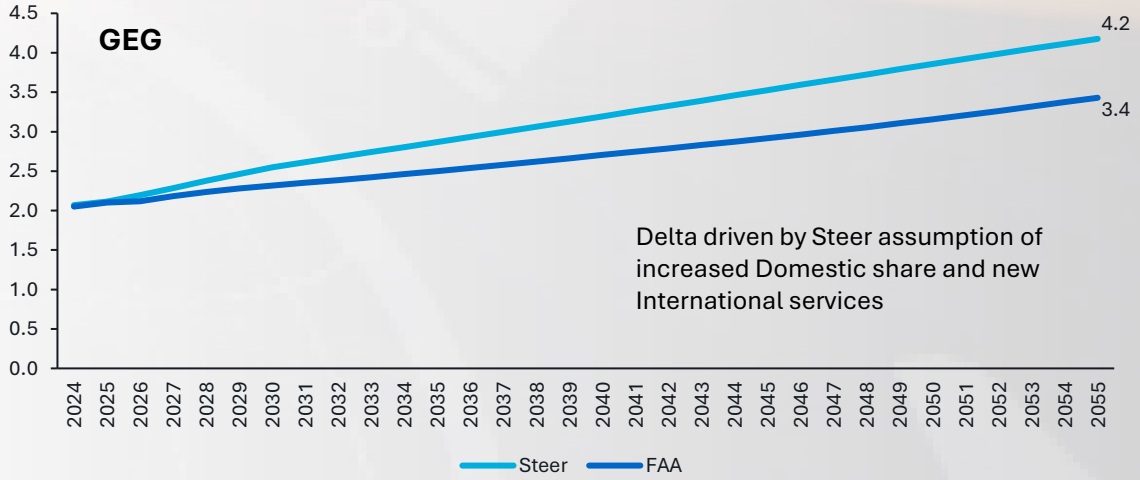
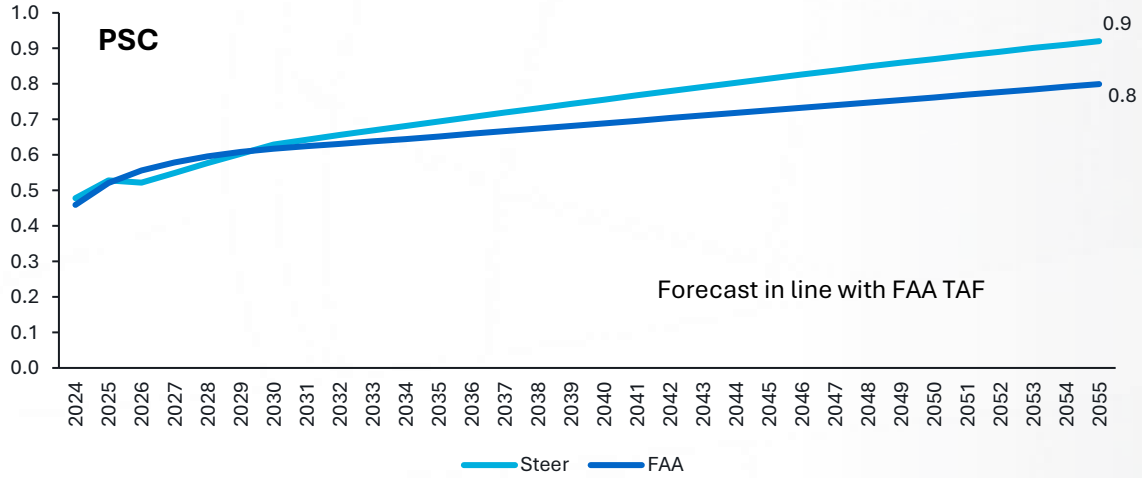
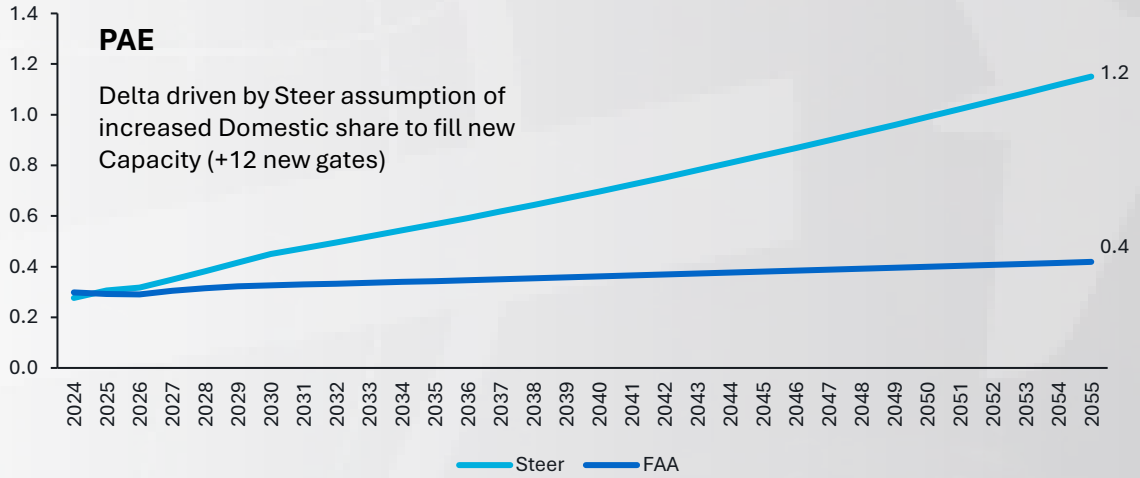
Four largest airports present some delta versus FAA TAF









Source: OAG, T100, SEA, Steer

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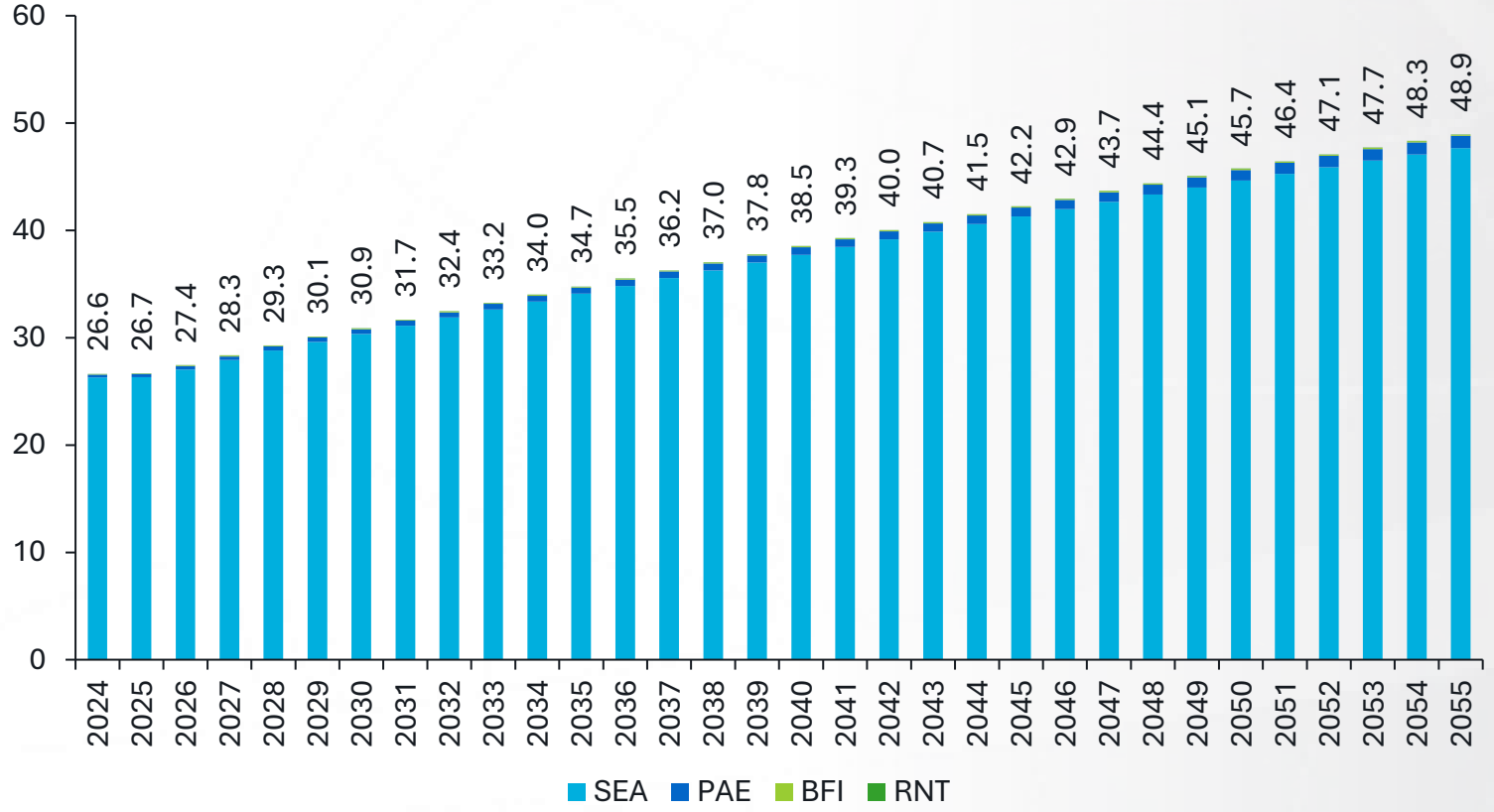
Forecast for the Puget Sound region is driven by SEA (99% of the volumes) and growing at 2.0% in the long term

Long Term Puget Sound Forecast
Market Share of Domestic Volumes



- Puget Sound Regional Council study from 2021 assumed the region (Central Puget Sound Region) to grow at an average CAGR between 2.4% and 2.8% from 2017 to 2050, ***reaching between 49.3 million and 55.6 million enplanements in 2050***. This was a study developed using pre-COVID19 figures, TAF, Airport Master Plan and FAA Aerospace Forecast.

Source: Steer analysis
Puget Sound: SEA, PAE, BFI, RNT

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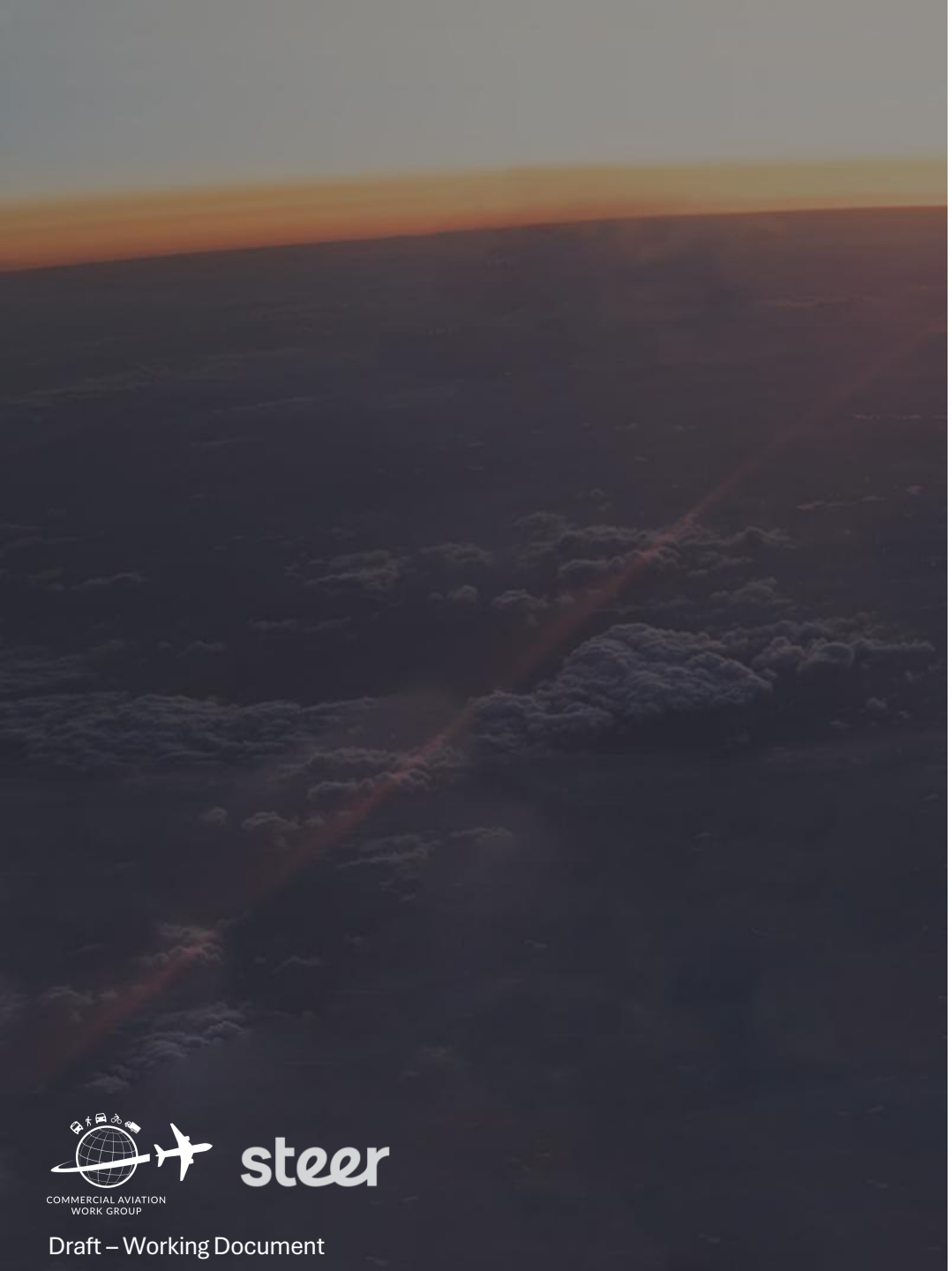

Thank you

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