United Airline

Project # Ap4-4 Third Runway Construction Project
Total Cost - $587.4 Million
PFC Funds - $104.3 Million
Certification - Disagree

United disagrees with this proposed use of PFCs because United believes that the plan is inconsistent with the purposes of the legislation authorizing airports to impose PFCs, would facilitate the Port's improper diversion of federal air transportation funds to a local municipality (revenue diversion), and lacks the required detailed financial plan.

1. **Lack of PFC Eligibility**.

Despite many meetings with the airport, United has not been informed how, if built, this third runway will enhance the safety, security or capacity of the national air transportation system, reduce noise, or enhance competition among air carriers as required to be eligible for PFC funding.

Specifically, United believes the Port can resolve its warm weather and Pacific Rim limitations by completing Project #AP4-2. Moreover, the airport estimate that a third runway will provide $60 million of operational savings is not supportable using standard business calculations. Indeed, United's calculations suggest that a third runway will cause a cost increase on a net present value basis and that future passenger and operations growth are currently significantly below the level necessary to justify a new runway for the foreseeable future.

The Port has also stated that the additional runway is necessary to eliminate a seven minute average delay at the airport. The airlines do not dispute the amount of delay at the airport, but believe that almost none of that delay is attributable to the lack of a third runway. Indeed, the causes of delays at SEA include the following items: inbound flights weather delays in Chicago, San Francisco and other cities; strong head winds for planes heading into Seattle; mechanical delays such as a broken catering cart in Dallas; ill crew members; and irregular passenger boarding processes. Based on an airline review of delay data, less than 30 seconds of delay is attributable to the lack of a third runway. Elimination of a 30 second delay will not enhance national airport capacity or operations, especially given that the cost of a runway will be in excess of $600 million. Consequently, there is no basis for using PFC revenues to support the third runway.

2. **Detrimental Revenue Diversion Precedent**.

In addition, United is concerned that approval of the PFC application at this time would encourage a project before the full costs are understood and would create an detrimental revenue diversion precedent. See, e.g., 61 Fed. Reg. 7134, 7144 (noting DOT must withhold approval of PFC if it finds revenue diversion is occurring). United has only had a brief opportunity to review the Interlocal Agreement between the City and Seattle: it received the Agreement for the first time at a presentation to the Airlines on September 4. Nevertheless, United has identified several instances of possible revenue diversion connected with the third runway. For example, the Port