



U.S. Department
of Transportation
Federal Aviation
Administration

Northwest Mountain Region
Seattle Airports District Office
1601 Lind Avenue S.W., Suite 250
Renton, Washington 98055

RECEIVED

June 4, 2008

JUN - 5 2008

Mr. David Waggoner
Airport Director
Snohomish County (Paine Field) Airport
3220 100th Street SW
Everett, WA 98204

BY SNOHOMISH COUNTY AIRPORT

Dear Mr. Waggoner:

Expression of Interest from Allegiant Air to Operate
at Snohomish County (Paine Field) Airport, Everett, Washington

We received a copy of a letter from Mr. Robert Ashcroft, of Allegiant Air to you dated May 12, 2008, expressing Allegiant Air's interest in initiating scheduled commercial passenger service at Snohomish County (Paine Field) Airport (PAE). Mr. Ashcroft specifically requested to enter into negotiations with Snohomish County (County) to use PAE for commercial passenger service. We also received copies of correspondence from some County Council members and a press release from the County Executive expressing opposition to commercial service at PAE. We write to remind the County of its obligations under Federal law and the Grant Assurances as you consider your response to Allegiant Air's request.


Grant Assurance 22(a) requires the County to "make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport." In furtherance on this Assurance, an airport sponsor is obligated to make areas available for lease on reasonable terms and to negotiate in good faith for the lease of parcels to conduct aeronautical activities. Thus, the County has an obligation to negotiate in good faith with Allegiant Air based on the May 12 request.

As we have made clear in the past, the Federal Aviation Administration (FAA) does not view the Mediated Role Determination as a prohibition on scheduled passenger service. Further, the fact that the County currently maintains a Class IV Airport Operating Certificate ("AOC") would not be a legitimate basis for refusing to negotiate. A Class I AOC would be necessary to accommodate an air carrier such as Allegiant Air planning to conduct scheduled service in large aircraft. However, the categorization of an airport among the four classes of an AOC principally is an administrative determination by the FAA. In the likely event that the County has sufficient facilities or available land to accommodate Allegiant Air, and that Allegiant Air demonstrates that it is reasonably expected to operate at PAE, the FAA would expect PAE to take appropriate action to change the AOC to Class I.

Failure to negotiate in good faith may subject the County to an enforcement action under FAR Part 16. Allegiant Air would be directly and substantially affected by the County's action, and thus would have standing to file a complaint and initiate an investigation under Part 16. To comply with your grant assurances and ensure continued receipt of Federal funding, you must negotiate in good faith with Allegiant Air.

Please contact me at (425) 227-2657 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol Key", with a stylized flourish extending from the end.

Carol A. Key
Manager, Seattle Airports
District Office