



## MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

Submitted to  
Nationally Recognized Municipal Securities Information Repositories  
pursuant to Securities and Exchange Commission rule 15c2-12  
June 30, 2006

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Issuer's Name: **Port of Seattle**

CUSIP Numbers: Information relates to **all securities** issued by the issuer having the following six-digit number(s): **735387, 735388, 735389, 735371, 735397**

Description of information attached: **Annual Disclosure Report**

Number of pages of attached information: **36 in this document including cover sheet. The Audited Financial Statements, as required under SEC rule 15c2-12, are filed separately.**

Fiscal Period Covered: **January 1, 2005 to December 31, 2005**

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I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

A handwritten signature in cursive script that reads 'Dan Thomas'.

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*Source is Port of Seattle if not otherwise indicated*

## I. Issues Covered in this Annual Disclosure Report:

### Six-digit CUSIP Number **735388**

- Revenue Bonds Series, 1996A and 1996B (“96AB”)
- Revenue Bonds Series, 1997A and 1997B (“97AB”)
- Revenue Refunding Bonds, Series 1998A (“98A”)
- Subordinate Lien Revenue Refunding Bonds, 1998 (“98SL”)
- Subordinate Lien Revenue Bonds Series 1997 (“97SL”)
- Subordinate Lien Revenue Bonds Series 1999A and 1999B (“99AB”)
- Revenue Bonds, Series 2000A and 2000B, and Revenue Refunding Bonds, Series 2000C and 2000D (“00ABCD”)
- Revenue Bonds, Series 2001A and 2001B, and Revenue Refunding Bonds, Series 2001C and 2001D (“01ABCD”)
- Revenue Bonds, Series 2003A and 2003B (“03AB”)

### Six-digit CUSIP Number **735389**

- Subordinate Lien Revenue Bonds, Series 2003C (“03C”)
- Revenue Refunding Bonds, Series 2004 (“04”)
- Intermediate Lien Revenue and Refunding Bonds, Series 2005A (“05A”)
- Intermediate Lien Revenue Refunding Bonds, Series 2005B (“05B”)
- Subordinate Lien Revenue Bonds, Series 2005D (“05D”)

### Six-digit CUSIP Number **735387**

- Passenger Facility Charges Revenue Bonds Series 1998A and 1998B (“98PFC”)

### Six-digit CUSIP Number **735397**

- Special Facility Revenue Bonds (Terminal 18 Project) Series 1999A, 1999B, and 1999C (“99SF”)
- Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC) Series 2003 (“03SF”)

### Six-digit CUSIP Number **735371**

- Limited Tax General Obligation Bonds, Series 2000A and 2000B (“00GO”)
- Limited Tax General Obligation Bonds, Series 2004A, 2004B and Limited Tax General Obligation Refunding Bonds 2004C (“04GO”)

## II. Statement of Changes to Continuing Disclosure

None

### III. Disclosure Items

#### Port Historical Operating Results as of December 31, 2005 (in thousands)

	2001	2002	2003	2004	2005
<b>REVENUES:</b>					
Operating					
Aviation					
Property Rentals	\$ 90,440	\$ 89,844	\$ 96,471	\$161,170	\$189,915
Landing Fees <sup>(1)</sup>	71,790	73,250	83,159	45,569	47,107
Parking <sup>(2)</sup>	46,475	40,233	40,217	42,584	47,359
Security grants <sup>(3)</sup>		4,972	1,575	1,196	1,162
Other Revenues	11,487	10,734	11,728	17,279	26,272
Total Aviation Revenues	220,192	219,033	233,150	267,798	311,815
Seaport					
Property rentals <sup>(4)</sup>	49,645	41,100	49,699	51,119	61,086
Equipment rentals	12,566	7,588	7,433	9,922	11,244
Distribution and Storage <sup>(5)</sup>	9,749	4,762	19	16	8
Security grants <sup>(3)</sup>		379	4,501	23,199	5,462
Other Revenues <sup>(6)</sup>	28,665	34,497	26,079	24,814	26,454
Total Seaport Revenues	100,625	88,326	87,731	109,070	104,254
Other					
Other Revenues <sup>(7)</sup>	—	—	872	334	456
<b>TOTAL OPERATING REVENUES</b>	<b>\$320,817</b>	<b>\$307,359</b>	<b>\$321,753</b>	<b>\$377,202</b>	<b>\$416,525</b>
<b>EXPENSES:</b>					
Operating					
Aviation	\$116,000	\$113,063	\$113,385	\$109,334	\$122,666
Seaport	66,554	53,722	48,956	63,454	46,383
Environmental <sup>(8)</sup>	(1,033)	8,607	4,071	2,200	7,739
Administration	38,401	45,547	42,655	48,282	49,407
<b>TOTAL OPERATING EXPENSES BEFORE DEPRECIATION</b>	<b>\$219,922</b>	<b>\$220,939</b>	<b>\$209,067</b>	<b>\$223,270</b>	<b>\$226,195</b>
<b>DEPRECIATION</b>	<b>81,115</b>	<b>84,853</b>	<b>85,076</b>	<b>110,175</b>	<b>129,788</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>301,037</b>	<b>305,792</b>	<b>294,143</b>	<b>333,445</b>	<b>355,983</b>
<b>OPERATING INCOME</b>	<b>\$19,780</b>	<b>\$1,567</b>	<b>\$27,610</b>	<b>\$43,757</b>	<b>\$60,542</b>

(1) Prior to 2004, the Airport operated under an Airport-wide residual agreement that, among other things, required payments by signatory airlines sufficient to meet a 1.25 to 1.35-times debt service coverage for approved projects. See "Management's Discussion and Analysis Years Ended December 31, 2005 and 2004" section of the 2005 Audited Financial Statements.

(2) Includes public parking and employee parking. Revenues derived from car rental companies are included as "property rentals."

(3) Security grants include Operation Safe Commerce and TSA operating grant revenues.

(4) In 2003, the Seaport Division had an increase in container terminal rental revenues after an increase in the blended rate charged to tenants and from increased T-18 net revenues, following a bond defeasance completed in 2002.

(5) Starting in 2002, the Seaport Division had a decline in distribution and storage expenses from the closure of the warehouse and chill lines of business in May 2002.

(6) Includes corporate services department revenues in 2001 and 2002 for \$507,000 and \$212,000, respectively.

(7) Includes combined revenues of the corporate services department and the Economic Development Division.

(8) Starting in 2002, the Port established a new policy for reserving for environmental liabilities when the likelihood of the liability is probable and the amount can be reasonably estimated. When an Environmental Reserve is established, an expense is recorded in the current period for the future liability.

Source: Port of Seattle.

## **Management Discussion of Historical Financial Results**

Per GASB 34, the Port's Audited Financial Statements now include Management's Discussion and Analysis (MD&A). Please see this section of the Statements for the Management Discussion of Historical Financial Results.

## **Management Discussion of Expected Results**

Information presented in this section is found elsewhere in this disclosure document so has not been separately repeated here.

## **Amount and Percentage of Operating Revenues by Division**

In 2005, the Seaport Division and the Aviation Division accounted for approximately \$101.3 million (24.5%) and approximately \$311.8 (75.4%) of the Port's total operating revenues, respectively.

## **Port Outstanding Debt (Amounts in \$ millions)**

<b>Type of Debt</b>	<b>12/31/2005</b>	<b>6/30/2006</b>
General Obligation	380	435
Revenue		
Senior Parity	1,333	1,144
Intermediate	413	577
Subordinate		
Long-term	609	609
Commercial Paper Authority*	250	250
Other		
PFC – backed stand alone	236	236
Special Facility Revenue Bonds – Fuel	121	119
<b>TOTAL</b>	<b>3,342</b>	<b>3,370</b>

\* The total authorized amount of Commercial Paper is \$250 million. The actual amount outstanding as of 12/31/2005 and 6/30/2006 was \$70.210 million and \$113.420 million, respectively

**Port of Seattle Estimated Debt Limit as of May 2006<sup>(1)</sup>**

Value of Taxable Property <sup>(2)</sup>	\$270,571,089,668
Debt Limit, Non-Voted General Obligation Bonds (.25% of Value of Taxable Property)	676,427,724
Less: Outstanding Non-Voted General Obligation Bonds	(434,555,000)
Less: Capital leases and other general obligations	0
Remaining Capacity of Non-Voted General Obligation Debt	241,872,724
Debt Limit, Total General Obligation Debt (.75% of Value of Taxable Property)	2,029,283,173
Less: Total Outstanding General Obligation	<u>(434,555,000)</u>
Remaining Capacity of Total General Obligation Debt	\$ 1,594,728,173

(1) As of May 25, 2006.

(2) Assessed valuation figure as reported in the 2006 King County's Assessor Annual Report. This 2005 assessed valuation figure is the basis for 2006 tax collections.

Source: Port of Seattle.

**2005 Port of Seattle Revenue Bond Debt Service** (in thousands of dollars)

First Lien Revenue Bonds	Interest	\$ 77,557.7
	Principal	27,755.0
Intermediate Lien Revenue Bonds	Interest	2,304.2
	Principal	1,500.0
Subordinate Lien Revenue Bonds	Interest	21,228.0
	Principal	7,665.0
Subordinate Lien Notes (Commercial Paper) *	Interest	3,349.0
	Principal	1,099.2

\* This is based on amortization of outstanding Commercial Paper on December 31, 2005. Total CP authority is \$250 million, but actual amount outstanding varies.

**2005 Port of Seattle Limited Tax G.O. Bond Debt Service** (in thousands of dollars)

Year	Principal	Interest	Total Debt Service
2005	\$ 17,060.0	\$ 20,711.3	\$ 37,771.3

Source: Port of Seattle

**Tax Levy: Recent Tax Levy Activity**

**2005 Tax Year**

Port District Assessed Valuation	\$248,911,782,339
Maximum Levy	\$75,782,110
Total Tax Levy	\$62,779,505
Total Tax Levy Rate	0.25321
Tax Levy Allocable for Limited Tax General Obligation Bonds	\$37,771,348
Tax Levy Allocable for General Purposes	\$25,008,157

Source: King County Assessor's Office and Port of Seattle

**Industrial Development Levy or Dredging Levy**

The Port did not levy the Industrial Development Levy or the Dredging Levy in 2005.

**Tax Levy: "Tax Collection Record"**

<u>Year</u>	<u>Amount of Levy*</u>	<u>Amount Collected in Year Due</u>	<u>% Collected in Year Due</u>	<u>Amount Collected as of 12/31/05</u>	<u>% of Levy Collected as of 12/31/05</u>
2005	\$62,799,550.36	\$61,704,536.02	98.26%	\$61,704,536.02	98.26%
2004	59,680,131.74	58,630,164.78	98.24	59,444,043.41	99.60
2003	58,028,845.44	56,372,464.20	97.15	57,874,476.73	99.73
2002	39,818,500.85	38,972,071.15	97.87	39,791,820.75	99.93
2001	35,664,620.40	34,899,755.53	97.86	35,648,209.66	99.95

\* The amount of the levy varies from the budgeted amount because of adjustments in assessed values and levy rates made by the County.  
Source: Port of Seattle, from King County Tax Receivables

**Port of Seattle Capital Improvement Program for Period Ending December 31, 2005<sup>(a)</sup>**

**AVIATION DIVISION**

Phase 1	Estimated Total Costs	Currently Funded <sup>(b)</sup>	Future Funding	
			Future Bonds	Other <sup>(c)</sup>
Third Runway	1,128,801	1,089,573	39,228	0
Airfield	194,065	193,620	0	445
Terminal	340,788	329,138	11,650	0
South Terminal Expansion Program	433,899	431,725	0	2,174
Satellite Transit System <sup>(d)</sup>	159,755	159,755	0	0
Landside	145,602	145,602	0	0
Infrastructure	238,270	234,348	3,790	132
Division Wide	97,637	57,884	4,211	35,542
Security	32,820	32,820	0	0
Business Development	17,629	17,629	0	0
<b>Sub-Total Phase 1</b>	<b>2,789,266</b>	<b>2,692,094</b>	<b>58,879</b>	<b>38,293</b>
<b>Noise</b>	<b>448,750</b>	<b>440,391</b>	<b>8,359</b>	<b>0</b>
<b>All Other</b>				
Airfield	63,874	51,117	11,325	1,432
Terminal	86,778	53,961	27,702	5,115
Landside	75,995	71,731	3,400	864
Infrastructure	103,622	83,244	17,557	2,821
Security	185,877	183,873	1,865	139
STEP (includes Security)	133,360	66,828	26,064	40,468
Stormwater	99,150	55,327	43,687	136
Division Wide	142,444	99,143	43,233	68
Business Development	24,056	24,056	0	0
<b>Sub-Total Phase 2</b>	<b>915,156</b>	<b>689,280</b>	<b>174,833</b>	<b>51,043</b>
<b>Total AVIATION DIVISION</b>	<b>4,153,172</b>	<b>3,821,765</b>	<b>242,071</b>	<b>89,336</b>
Percent of total - Aviation	100.00%	88.00%	11.90%	0.10%

**SEAPORT DIVISION (2006-2010)**

Total Seaport Division **486,897**

**PROFESSIONAL AND TECHNICAL SERVICES AND ECONOMIC DEVELOPMENT (2006-2010)**

Total P&TS and Economic Development **58,353**

**Total Port of Seattle \$4,698,422**

(a) Committed Program only.

(b) Includes existing revenue bond proceeds, PFC Bond proceeds, PFC revenues, Airport Improvement Program. (AIP) grants, Transportation Security Administration (TSA) grants, Letter of Intent grants, and the Airport Development Fund.

(c) Includes expected future AIP grants, PFC revenues, and other/equity.

(d) The FAA refers to this program as the Passenger Conveyance System.

Source: Port of Seattle.

## Historical Debt Service Coverage for Period Ending December 31, 2005

### Historical Debt Service Coverage Revenue Bonds (in thousands) For the Years Ended December 31

	2001 (as restated)	2002 (as restated)	2003	2004	2005
Gross Revenue <sup>(1)</sup>	\$335,867	\$325,042	\$327,269	\$382,921	\$427,831
Exclude: Net unrealized (gain)/loss from Investments <sup>(2)</sup>	(5,046)	(4,327)	8,339	5,772	8,112
Total revenue	\$330,821	\$320,715	\$335,608	\$388,693	\$435,943
Total expense before depreciation and interest <sup>(3)</sup>	227,904	228,562	225,613	231,696	257,075
Less Port available general purpose tax levy	(11,395)	(15,131)	(32,772)	(20,866)	(24,233)
Less/plus amortization of bond discount, premium and deferred financing costs, net	(933)	(71)	1,504	1,403	2,571
Less net loss on sale and abandonment of assets	(4,353)	(5,819)	(14,022)	(3,149)	(28,765)
Net expense payable from revenue	\$211,223	\$207,541	\$180,323	209,084	206,648
Net revenue available for debt service	\$119,598	\$113,174	\$155,285	179,609	229,295
Debt service on First Lien Bonds <sup>(4)</sup>	\$68,399	\$67,782	\$78,577	\$75,536	\$84,614
Coverage on First Lien Bonds <sup>(4)</sup>	1.75x	1.67x	1.98x	2.38x	2.71x
Net Revenue available for Subordinate Lien debt service <sup>(5)</sup>	\$51,199	\$45,392	\$76,708	\$104,073	\$142,514
Debt Service on Subordinate Lien Parity Bonds <sup>(4)</sup>	\$11,335	\$13,112	\$16,748	\$23,382	\$27,813
Coverage on Subordinate Lien Parity Bonds <sup>(4)</sup>	4.52x	3.46x	4.58x	4.45x	5.12x

(1) Net of Fuel Facility Revenues of \$435,000 in 2003, \$689,000 in 2004 and \$3,491,000 in 2005.

(2) Restated to exclude the net unrealized (gain)/loss from valuing investments to market value at year-end.

(3) Restated to include commercial paper fees.

(4) Net of interest payable from bond proceeds (capitalized interest).

(5) Net of \$2.167 million debt service payment on Outstanding Intermediate Lien Parity Bonds in 2005.

### Changes in the Identity of the Port's Treasurer

No Change

### Changes in the Port's Investment Policy

No Change

### Insurance

**General Overview.** The Port has a comprehensive risk management program that protects the Port financially against loss from adverse events to its property, operations, third party liabilities, and employees. The Port's insurance year for liability coverage runs from October 1, 2005 to

October 1, 2006. The Port's insurance year for property coverage runs from July 1, 2005 to July 1, 2006. The Port utilized the services of Aon Risk Services for the placement of its liability insurance effective October 1, 2005. The Port is using the services of Hugh Wood Incorporated as its liability insurance broker for placing its liability programs that are to go into effect on October 1, 2006. Aon Risk Services remains as the broker for the Port's Owner Controlled Insurance Program (the "OCIP") for the Airport Capital Improvement Program. The OCIP program runs through December 31, 2008. The Port utilizes Driver Alliant to purchase its property insurance. All of the Port's insurance carriers are rated "A" or better by the A.M. Best & Co. and include AIG, Lexington (AIG), Chubb, General Star, and Lloyds of London.

**Property Insurance.** The Port maintains an "all risk" property insurance program for loss of and damage to Port property including business interruption and equipment breakdown with a \$750 million per occurrence limit at a \$1 million per occurrence deductible. Terrorism coverage is provided with a sub-limit of \$100 million per occurrence. Coverage limits for earthquake and flood are capped at an annual aggregate of \$25 million above a flat \$25 million deductible. Builders' risk coverage for property in the course of construction is provided with a sub-limit of \$50 million. For 2005-2006, the Port was able to secure a \$50,000 per occurrence deductible for builders' risk (course of construction) coverage. The builders' risk coverage extends to both contractors and the Port for property damage to Port's Capital Improvement Program assets that are in the course of construction. The Port carries a separate employee fidelity bond for crime coverage (employee dishonesty) with a \$1 million policy limit and a \$25,000 per claim deductible.

**Liability Insurance.** The Port purchases excess commercial general liability insurance that covers losses involving bodily injury and property damage that arise from claims against the Port by third parties at all Port owned, rented or leased locations except the Airport (which has a separate airport operator's liability policy, described below). The excess general liability limit is \$50 million per occurrence with a \$1 million per claim retention. This excess liability coverage is for the Port's marine, automobile, employee benefits, and foreign liability exposures. Coverage for events stemming from terrorism and/or war is excluded.

The Port purchases airport operator's liability insurance which covers losses involving property damage and bodily injury that arise out of Airport operations. The limit of liability is \$300 million with a \$1 million per claim retention. Coverage for events stemming from terrorism and/or war is excluded. See also "Owner Controlled Liability Insurance Program."

The need to purchase war or terrorism liability coverage, including TRIA (Terrorism Risk and Insurance Act coverage created in 2002), was reviewed during the Port's October 2005-2006 liability insurance renewal. The Port elected not to purchase the TRIA endorsement or any other coverage for war or terrorism. This was due mainly to the uncertainty surrounding TRIA coverage and the fact that the federally backed TRIA endorsement expired on December 31, 2005. The Port will review the terrorism coverage available in the marketplace in October of 2006. A purchase decision will be made at that time based on coverage terms and prices.

Separate liability policies have been purchased to cover the Port's public officials' and employment practices liability (\$5 million limit/\$1 million per claim retention); fiduciary liability (\$5 million limit/no-deductible), and police professional liability (\$3 million limit/\$1 million per claim retention). The Port self-insures its workers' compensation exposure.

**Third Party Agreements.** Contractors, tenants, and lessees, are required to carry at least \$1 million of commercial general liability insurance (\$10 million for large construction projects and higher-risk projects) and automobile liability insurance of at least \$1 million (\$5 million for automobiles operated on the non-movement part of the aircraft operations area and \$10 million for automobiles operated on the aircraft-movement area of the aircraft operations area). The Port requires airline tenants at the Airport to provide between \$100 million and \$300 million per occurrence liability limits. Contractors must also provide proof of workers’ compensation coverage for their employees as well as Washington State “stop-gap” coverage that covers employers’ liability. The Port requires all contractors, tenants, and lessees, to include the Port as an “additional insured” as their interests appear for their work, operations, or other activities, on Port property. All contracts and lease agreements require that the Port, and its employees, officers, and commissioners are to be held harmless and indemnified for all claims that arise out of the acts of the contractors and lessees.

**Owner Controlled Liability Insurance Program.** The Airport Capital Improvement Program (ACIP) construction projects are insured against third-party claims under an OCIP. The OCIP insures the Port, construction managers, eligible and enrolled contractors, and other designated parties for work performed under the ACIP. Certain contractors and subcontractors and their employees are excluded from this program, as defined by the scope of their operations.

Coverage under the OCIP includes General Commercial Liability, Excess Liability, Stop-Gap Employer’s Liability, Excess Automobile Liability, Professional Liability Insurance and Contractor’s Pollution Liability insurance. AIG is the primary insurer for the OCIP. The OCIP excludes workers compensation coverage for all contractors. The policy period for the OCIP insurance program runs from December 31, 2000 to December 31, 2008 (except the Excess Auto, which expires December 31, 2006). Depending on the line of coverage, OCIP policy per occurrence limits range from \$4 million up to \$300 million.

**Total Annual Enplanements**

<u>Year</u>	<u>Domestic</u>	<u>International</u>	<u>Total</u>	<u>Annual Increase/(Decrease)</u>
2005 (entire year)	13,408,140	1,223,997	14,632,137	1.9%
January – April 2005	3,867,662	405,752	4,273,414	-----
January – April 2006	4,013,740	407,552	4,421,292	3.5%

**Percentage of Domestic and International Flights**

Of the approximately 14.6 million enplaned passengers served by the Airport in 2005, 8.4% were on international flights and 91.6% were on domestic flights.

**Enplanement Market Share by Airline in 2005**

<u>Rank</u>	<u>Airline</u>	<u>Enplaned Passengers</u>	<u>Share</u>
1	Alaska Airlines	5,228,162	35.7%
2	Horizon Air	1,698,170	11.6
	Alaska Air Group	6,926,332	47.3%
3	United Airlines <sup>(1)</sup>	1,513,893	10.3%
4	Southwest Airlines	1,230,624	8.4
5	Northwest Airlines	1,041,628	7.1
6	Delta Air Lines <sup>(2)</sup>	859,050	5.9
7	American Airlines	812,169	5.6
8	Continental Airlines	535,087	3.7
9	America West Airlines <sup>(3)(4)</sup>	424,428	2.9
10	US Airways <sup>(4)</sup>	237,796	1.6
11	Hawaiian Airlines	164,728	1.1
12	Frontier Airlines	144,438	1.0
	Others	741,964	5.1
	<b>Airport Total</b>	<b>14,632,137</b>	<b>100.0%</b>

(1) United Airlines includes United Express.

(2) Delta Air Lines includes Delta Connection.

(3) America West includes America West Express.

(4) US Airways Group Inc. and America West Holdings Corp. merged in 2005.

Source: As reported to the Port by the airlines.

**Number of U.S. Flagged and Foreign Passenger Airlines**

18 U.S. flagged passenger airlines and 8 foreign flagged passenger airlines served the Airport as of June 2006.

## List of Airlines Serving Seattle-Tacoma International Airport as of June 2006

### Scheduled passenger service

United States flag airlines  
AirTran Airways  
Alaska Airlines  
America West Airlines  
American Airlines  
Continental Airlines  
Delta Air Lines  
Frontier Airlines  
Hawaiian Airlines  
Horizon Air  
Mesa Airlines (America West Express)  
JetBlue Airways  
Northwest Airlines  
SkyWest Airlines (Delta Connection)  
Southwest Airlines  
Sun Country Airlines  
United Airlines  
United Express /Sky West Airlines  
Us Airways  
Foreign Flag Airlines  
Air Canada  
Air Canada Jazz  
Asiana Airlines  
British Airways  
China Airlines  
EVA Airways  
Korean Air  
Scandanavian Airlines System (SAS)

### Charter passenger service

ATA Airlines  
Allegiant Air  
Casino Express  
Executive Flight  
Northern Thunderbird Air  
Weyerhauser Company

### All-cargo Service

Air Transport International  
Airborne Express  
Cargolux Airlines International  
China Airlines  
Emery Worldwide  
Empire Airlines  
Evergreen International Airlines  
FedEx  
Kalitta Air, LLC  
Kitty Hawk Air Cargo  
Martinair Holland  
Sierra Pacific Airlines  
UPS Air Cargo

Source: Port of Seattle records

## Number of Total Airport Operations for 2005

The Airport accommodated 341,762 airline operations (takeoffs and landings) in 2005.

## Primary Domestic Origin and Destination Markets 2005

Rank	Market of Origin or Destination	Air miles from Seattle	Share of market <sup>(1)(a)</sup>	Average daily
				non-stop departures <sup>(2)(b)</sup>
1	Los Angeles, California <sup>(3)</sup>	954	10.5%	34
2	San Francisco, California <sup>(4)</sup>	678	10.3	38
3	Chicago, Illinois <sup>(5)</sup>	1,721	5.6	16
4	Denver, Colorado	1,024	4.7	15
5	Las Vegas, Nevada	866	4.6	15
6	Anchorage, Alaska	1,449	4.5	18
7	Phoenix, Arizona	1,107	4.5	15
8	Spokane, Washington	224	4.0	24
9	New York, New York <sup>(6)</sup>	2,421	3.6	10
10	Dallas/Ft. Worth, Texas <sup>(7)</sup>	1,660	3.5	10
11	Minneapolis/St. Paul, Minnesota	1,399	3.4	7
12	Atlanta, Georgia	2,182	2.9	6
13	Portland, Oregon	129	2.7	36
14	Salt Lake City, Utah	689	2.6	11
15	Sacramento, California	605	2.5	9
16	San Diego, California	1,050	2.4	7
17	Houston, Texas <sup>(8)</sup>	1,874	2.2	6
18	Washington, D.C. <sup>(9)</sup>	2,306	2.0	6
19	Boise, Idaho	399	1.8	8
20	Honolulu, Hawaii	2,677	1.6	3
21	Detroit, Michigan	1,927	1.5	3
22	Reno, Nevada	564	1.4	6
23	Cincinnati, Ohio	1,964	1.1	3
24	Philadelphia, Pennsylvania	2,378	1.0	3
25	Juneau, Alaska	909	<u>1.0</u>	<u>3</u>
	Sub total		86.0	313
	All Other Cities		<u>14.0</u>	<u>81</u>
	<b>Total<sup>(10)</sup></b>		<b><u>100%</u></b>	<b><u>395</u></b>

Note: Totals may not foot as a result of rounding.

(1) Market Share based on number of enplaned passengers. Cities with at least one percent of Market Share.

(2) Official Airline Guides, Inc., on-line database for December 2005.

(3) Los Angeles International, Bob Hope (Burbank), John Wayne (Orange County), Ontario International, and Long Beach airports.

(4) San Francisco, Oakland, and Mineta San Jose international airports.

(5) Chicago O'Hare International and Midway airports.

(6) John F. Kennedy International and Newark Liberty International airports.

(7) Dallas/Fort Worth International Airport and Love Field.

(8) George Bush International Airport/Houston.

(9) Washington Dulles International and Reagan Washington National airports.

(10) Domestic destinations only. An additional 46 daily non-stop international departures contribute to the 441 total daily nonstop departures at the Airport.

Sources: (a) Bureau of Transportation Statistics, T-100 Domestic Market Schedule T2. (b) Port of Seattle.

## Percentage of Origin and Destination (O&D) Passengers

The estimated percentage of O&D passengers is 73%, based upon a recent U.S. Department of Transportation survey, as of twelve months ending December 31, 2005.

## Landed Weights of Top Ten Passenger Carriers for 2005

Rank		Metric Tons	% of Total
1	Alaska Airlines	6,362,880	31.5%
2	United Airlines	1,968,235	9.8%
3	Horizon Airlines	1,935,613	9.6%
4	Southwest Airlines	1,566,606	7.8%
5	Northwest Airlines	1,282,693	6.4%
6	Delta Airlines	1,144,964	5.7%
7	American Airlines	873,229	4.3%
8	Fedex	689,362	3.4%
9	Continental Airlines	670,064	3.3%
10	America West Airlines	489,196	2.4%
	All Others <sup>1</sup>	3,203,041	15.9%
		<u>20,185,883</u>	<u>100.0%</u>

Source: As reported to the Port of Seattle by the airlines.

<sup>1</sup> includes passenger and cargo carriers

## Number of Domestic Daily Non-stop Cities Served in 2005

Passenger airlines provided daily non-stop service to 72 cities.

## List of International Daily Non-stop Cities Served in 2005

Non-stop daily international service was offered to 17 cities:

Non-stop daily international service was offered to 17 cities (some Mexico service is seasonal)

- Amsterdam, Netherlands
- Calgary, Alberta, Canada
- Copenhagen, Denmark
- Edmonton, Alberta, Canada
- Kamloops, British Columbia, Canada
- Kelowna, British Columbia, Canada
- London, England
- Los Cabos, Mexico
- Mazatlan, Mexico
- Moscow, Russia (\*)
- Puerto Vallarta, Mexico
- Seoul, Korea
- Taipai, Taiwan
- Tokyo, Japan
- Toronto, Ontario, Canada
- Vancouver, British Columbia, Canada
- Victoria, British Columbia, Canada

(\*) service discontinued October 2005

## Scheduled International Service

<u>Country</u>	<u>Percent of Seating Capacity</u>
Canada	43.1%
Japan	14.8%
Taiwan	10.9%
United Kingdom	10.3%
Korea	8.1%
Denmark	6.4%
Netherlands	<u>6.4%</u>
Total	<u>100.0%</u>

Source: Official Airline Guide, May 2006

## Non-Stop Scheduled Departures by Airline

<u>Airline</u>	<u>Number of average daily departures</u>
Alaska Airlines	137
Horizon Air	127
Southwest Airlines	37
United Airlines	31
American Airlines	19
Delta Air Lines	16
Northwest Airlines	15
Continental Airlines	13
United Express/SkyWest Airlines	10
America West Airlines	10
Air Canada Jazz	5
Frontier Airlines	5
US Airways	4
JetBlue Airways	3
Delta Connection/SkyWest Airlines	2
Hawaiian Airlines	2
AirTran Airlines <sup>a</sup>	2
America West Express/Mesa	1
Sun Country Airlines	1
China Airlines	1
Air Canada	1
British Airways	1
SAS Scandinavian Airlines	1
Korean Air <sup>b</sup>	1
Asiana Airlines <sup>b</sup>	1
Total	<u>445</u>

(a) service began May 25, 2006

(b) 3 times per week service (increases in summer months)

Source: Official Airline Guide, May 2006

### **Percentage of Enplanements Traveling to Asia**

In 2005, approximately 2.6% of all enplanements, or 31% of international enplanements represented passengers traveling to Asia.

### **Number of Domestic and Foreign All-Cargo Airlines**

14 domestic and foreign all-cargo airlines, having a market share greater than 0.5%, served the Airport in 2005 (these numbers do not include air mail).

### **Metric Tons of Enplaned and Deplaned Cargo**

Total enplaned and deplaned cargo equaled 338,591 metric tons in 2005. This includes Domestic and International Air Freight and Domestic and International Air Mail.

### **Additional Pledged Revenue and any Changes of PFC Authorization**

There were no changes in 2005.

## Projects to be Funded with PFC Revenue -- Costs and Sources of Funds

### PROJECTS TO BE FUNDED WITH PFC REVENUE--ESTIMATED COSTS AND SOURCES OF FUNDS

Port of Seattle, Washington  
Seattle-Tacoma International Airport

	Gross project costs	Sources of funds				
		Federal grants-in-aid		Port funds <sup>(1)</sup>	Pay-as-you-go PFC Revenue	1998 PFC Bond proceeds
		Entitlement	Discretionary			
<b>1998 PFC Bond Projects</b>						
Third runway <sup>(2)</sup>	\$1,060,801,000	\$93,900,000	\$202,635,256	498,777,548	151,155,196	\$114,333,000
South Terminal Expansion Program <sup>(3)</sup>	567,259,000			428,442,026	41,534,974	97,282,000
Satellite Transit System (STS) <sup>(4)</sup>	159,755,000			27,631,479	83,738,521	48,385,000
Total 1998 PFC Bond Projects	\$1,787,815,000	\$93,900,000	\$202,635,256	\$954,851,053	\$276,428,691	\$260,000,000
<b>Other--impose and use</b>						
ARFF regional training facility	\$6,880,689		\$4,503,000	927,689	\$1,450,000	
Runway safety area improvements	46,286,000		25,500,000	12,286,000	8,500,000	
Access roadway improvements	27,674,346			5,924,346	21,750,000	
Security system upgrade	32,818,365			20,515,365	12,303,000	
Airfield pavement and infrastructure improvements	46,981,877		7,883,000	10,888,294	28,210,583	
Noise programs <sup>(5)</sup>	137,800,000		50,000,000	37,800,000	50,000,000	
Total other--impose and use	\$298,441,277		\$87,886,000	\$88,341,694	\$122,213,583	
Total projects	\$2,086,256,277	\$93,900,000	\$290,521,256	\$1,043,192,747	\$398,642,274	\$260,000,000

(1) Including, but not limited to, Airport Development Fund moneys and revenue bond and commercial paper proceeds.

(2) Excludes some associated costs - \$33 million for Safety Area and \$35 million for Noise projects. When these costs are included, total Third runway project costs are \$1,128,801,000.

(3) Formally known as "Terminal expansion--Concourse A" & includes associated security systems

(4) Formally known as the Passenger Conveyance System.

(5) Total Noise project costs associated with the PFC Record of Decision (ROD).

Source: Port of Seattle.

## Historical PFC Collection and Percentage of PFC Eligible Enplaned Passengers

Note that PFC collections figures are based on “PFC Quarterly Status Report – Revenue and Expenditures” filed with FAA and reported on a cash basis; thus PFC collections do not match the amounts reported in the Port of Seattle Financial Statements.

	<b><u>2005</u></b>
Enplaned passengers	14,632,137
Annual Percentage Increase	1.9%
Passenger Facility Charge (PFC)	\$ 4.50
Administration costs	<u>0.12</u>
Net PFC	<u>4.38</u>
PFC-eligible passengers	12,712,766
Percent of enplaned passengers	86.9%
PFC Collections	\$ 55,681,913

## Historical Application of PFC Revenue

	<b><u>2005</u></b> <sup>(1)</sup>
<b>Beginning Balance</b>	10,927,356
Plus Deposits:	
Annual PFC Collections	55,681,913
Annual Interest Income	<u>1,515,482</u>
Total Deposits	<u>57,197,395</u>
<b>Available amounts</b>	<b><u>68,124,751</u></b>
Less withdraws:	
Annual Debt Services	20,424,427
Pay-as-you-go Expenditures	<u>36,233,792</u>
Total Withdraws	<u>56,658,219</u>
<b>Ending Balance</b>	<b><u>11,466,532</u></b>

<sup>(1)</sup> Figures are based on "PFC Quarterly Status Report - Revenue and Expenditures" filed with FAA

### Annual PFC Debt Service Coverage

Note that PFC collections figures are based on “PFC Quarterly Status Report – Revenue and Expenditures” filed with FAA and reported on a cash basis; thus PFC collections do not match the amounts reported in the Port of Seattle Financial Statements.

		<u>2005</u>
PFC collections	[A]	\$55,681,913
PFC Capital and Revenue Fund interest income	[B]	<u>785,727</u>
PFC Revenue	[A]+[B]=[C]	\$56,467,640
First Lien PFC Reserve Account interest income	[D]	<u>729,755</u>
	[C]+[D]=[E]	\$57,197,395
Annual PFC Debt Service	[F]	\$20,424,427

### **Annual PFC Debt Service coverage**

PFC collections only	[A] / [F]	2.73
PFC Revenue	[C] / [F]	2.76
PFC Revenue and First Lien PFC Reserve Account Interest Income	[E] / [F]	2.80

## **PFC Unspent Authority & First Lien Sufficiency Covenant**

First Lien Sufficiency Covenant Coverage is 1.34 which is calculated as followed:

	<b><u>2005</u></b>
Unspent PFC Authority (see detail below)	\$493,641,555
Plus: Projected Additional Pledged Revenue	
Remaining Unspent PFC Authority	<u>\$ 493,641,555</u>
Remaining Aggregate PFC Debt Service	\$367,627,468
<b>First Lien Sufficiency Covenant Coverage</b> (minimum is 1.05)	<b>1.34</b>
<hr/>	
<b><u>Unspent PFC Authority</u></b>	
Beginning Aggregate PFCs authorized to be collected	\$681,412,764
Plus: Net Annual Adjustment to Authorization	\$0
Less: PFC Collected and Interest Earned	(\$57,197,395)
Ending Aggregate PFCs authorized to be collected	<u>\$624,215,369</u>
Less: Adjusted Costs	
Costs of Projects Paid	\$36,233,791
Costs of Projects Paid - Debt Service	\$20,424,428
Costs of Projects Obligated	\$106,488,925
Costs of Projects Obligated - Remaining Debt Service	\$367,627,468
Less: Projected Aggregate Debt Service	(\$367,627,468)
Less: Amount on deposit in the Funds	(\$32,573,329)
Less: Costs of Projects Paid from Bond Proceeds	\$0
Less: Costs of Projects Obligated from Bond Proceeds	\$0
Total Adjusted Costs	<u>\$130,573,814</u>
Total Unspent Authority	\$493,641,555

## **Airport LOI and Other Federal Grants - 2005**

Operating grants:	\$ 0
Capital spending grants:	\$48,638,640

## Aviation Division Operating Expenses for 2005

	<u>2005</u>
<i>Direct Expense Cost Centers</i>	(in \$000's)
Administration salaries and benefits	22,198
Wages	39,893
Travel and other employee expenses	758
Outside services	27,600
Supplies	5,364
Utilities	13,572
Other direct expenses	21,626
Charges to capital projects	<u>(14,273)</u>
Total Direct Operating Expenses	116,738
 <i>Indirect Expense Cost Centers</i>	
Corporate allocations	<u>32,095</u>
Total Indirect Operating Expenses	32,095
 Total Operating Expenses	 <u>148,833</u>
 <i>Summary by cost center</i>	
Aeronautical LOB <sup>1</sup>	121,081
Landside LOB	34,414
Business Dev & Mgmt <sup>2</sup>	5,413
Utilities <sup>3</sup>	(12,070)
Other	<u>(5)</u>
Total Operating Expenses	<u><u>148,833</u></u>

1. Airfield and Air Terminal are combined to Aeronautical LOB.

2. Excludes third party contract expense for Radisson Hotel of \$6.198 million.

3. The cost center summary shows utilities O&M expense as a negative amount due to other charges such as depreciation and capital costs included in the rate base for the purpose of internal and external billing.

Source: Port of Seattle, Aviation Division

**Sources of Aviation Division Revenue for 2005<sup>(1)</sup>**

	<u>Amount</u> <u>(in \$000's)</u>	<u>Percent</u> <u>of Total</u>
<b>Airline Revenues</b>		
Landing Fees	47,107	15.63%
Terminal Rental	116,306	38.58%
Other	2,514	0.83%
<b>Total Airline Revenues</b>	<u>165,927</u>	<u>55.05%</u>
<b>Non-Airline Revenues</b>		
Airfield		
Airfield Property Leases	6,717	2.23%
Aviation Properties		
In-Flight Kitchen	3,237	1.07%
Commercial Property Leases <sup>(2)</sup>	2,077	0.69%
Aviation Properties Subtotal	<u>5,314</u>	<u>1.76%</u>
Landside		
Public Parking	45,782	15.19%
Employee Parking	32,353	10.73%
Rental Cars	5,327	1.77%
Ground Transportation	4,110	1.36%
Landside Subtotal	<u>87,572</u>	<u>29.05%</u>
Concessions		
Food and Beverage	8,172	2.71%
News and Gift	6,380	2.12%
Duty-Free	1,561	0.52%
Other Concessions	10,119	3.36%
Concessions Subtotal	<u>26,232</u>	<u>8.70%</u>
Utilities	7,386	2.45%
Other	879	0.29%
<b>Total Non-Airline Revenues</b>	<u>134,099</u>	<u>44.49%</u>
Security Grants	1,162	0.39%
Fuel Hydrant Revenue <sup>(3)</sup>	240	0.08%
<b>Total Aviation Division Revenues</b>	<u><u>301,428</u></u>	<u><u>100.00%</u></u>

(1) Revenues are by business unit, and thus amounts in some categories may differ from amounts disclosed in other tables within this and other reports, which may be presented by account.

(2) Third party contract revenues for Radisson Hotel of \$6.897 million are excluded.

(3) Fuel Facility Revenue of \$3.490 million is excluded.

Source: Port of Seattle, Aviation Division

**Calculation of Airline Terminal Rents**

	<b>2005</b>
<b>Terminal Costs</b>	
<b>Cost Element</b>	
a) Land Rental Charge @ 10%	720,182
b) Debt Service	57,241,570
Debt Service Coverage @ 25%	14,310,393
c) Amortization @ 8%	4,295,147
d) Interim Financing Costs	620,458
e) Terminal and Allocable O&M	80,598,405
f) Alloc Reserve Funds Deposits	-
g) Alloc P69 Debt Service	339,511
Subtotal	158,125,666
Less:	
h) Other Terminal Revenues	(944,513)
i) Capital and O&M Costs for Airlines-Specific Systems	(10,882,915)
TSA Check Point Reimbursement	(1,161,910)
Terminal Costs to Airfield	(904,739)
Allocable Costs	144,231,589
j,k,l) Terminal Costs for the Port, Public Areas, and Non-Aero	(23,653,981)
m) Add Back: Capital and O&M Costs for Airline-Specific Systems	10,882,915
<b>Terminal Revenues</b>	<b>131,460,523</b>
Add Back:	
Other Terminal Revenues	944,513
Land for Common Gates	668,250
<b>Terminal Revenue Requirement (1)</b>	<b>133,073,286</b>
Less: Revenue Sharing	(16,767,244)
<b>Net Terminal Revenue Requirement (2)</b>	<b>116,306,043</b>
Terminal Revenues Requirement	133,073,286
Terminal Revenues Billed	128,166,685
<b>Surplus (Deficit)</b>	<b>(4,906,601)</b>
Revenue Sharing	16,767,244
<b>Net Credit (Deficit) to Airlines</b>	<b>11,860,642</b>
Enplanements	14,632,173
Square Feet	1,078,427
Average Rent / Sq ft (1)	123.40
Average Rent / Sq ft (2)	107.85

## Calculation of Airline Landing Fees Under Current Airline Agreements

	<b>2005</b>
<b>Landing Fee Costs</b>	
<b>Cost Element</b>	
a) Debt Service - AF	12,971,999
Debt Service Coverage @ 25%	3,243,000
b) Amortization @ 8%	4,700,286
c) Airfield and Allocable O&M <sup>(1)</sup>	40,483,036
d) Interim Financing Costs	817,821
e) Alloc P69 Debt Service	248,518
f) Alloc Reserve Funds Deposits	0
g) Alloc Terminal Costs	904,739
Subtotal	63,369,398
Less:	
h) Other Airfield Revenues	
- Airfield Properties (O3330)	(6,716,695)
- ID Badging (O3343)	(740,718)
- Gate Parking & Fuel Flowage	(1,773,162)
- Fuel Hydrant - Land Rental	(240,216)
Subtotal	(9,470,791)
<b>Airfield Revenue Requirement</b>	<b>53,898,607</b>
Less: Revenue Sharing	(6,791,228)
<b>Landing Fee Revenues</b>	<b>47,107,379</b>
Total Landed Weight <sup>(2)</sup>	20,186,069
Landing Fee Rate <sup>(3)</sup>	2.33
Non-Signatory Airline Landing Fee Revenues	2,586,464

1. Includes all direct charges, division and corporate allocations.

2. In 1,000 lb. units.

3. Per 1,000 lb. unit.

Source: Port of Seattle, Aviation Division

## Changes in the Method of Charging for the Use of Airport Facilities

Information on the changes is reported in the "Airline Business Agreements" section.

## **Airline Business Agreements**

### **Changes in the Type of Airline Agreements**

The Port has entered into Signatory Lease and Operating Agreements effective January 1, 2006 (the “2006 Airline Agreements”). The term of each of the 2006 Airline Agreements expires on December 31, 2012, unless terminated earlier. The 2006 Airline Agreements replace the agreements in effect from January 1, 2004 through December 31, 2005.

The 2006 Airline Agreements include a compensatory rate setting methodology. The signatory airlines pay rates and charges calculated to equal the airfield and terminal revenue requirements, as defined in the 2006 Airline Agreements, of the Airport. The Port is responsible for any costs not otherwise paid by the signatory airlines and retains any net operating income. The 2006 Airline Agreements permit the Port to charge the airlines 100 percent of annual debt service allocated to the airlines unless the Port determines in its sole discretion that a charge above 100 percent and up to 125 percent of annual debt service is necessary to maintain the total Airport revenue bond coverage at 1.25 times the sum of the annual debt service. Shortfalls and overages in the amounts payable by the airlines are to be rolled into rate-setting for the following two fiscal years. Under certain circumstances, the Port is permitted to adjust terminal rents and landing fees midyear. The 2006 Airline Agreements also permit the Port to include in the airline rate base amortization charges for equity-funded airline-related projects after December 31, 2005. The 2006 Airline Agreements provide for common-use gates and preferential-use gates and do not permit gates to be assigned on an exclusive-use basis.

The 2006 Airline Agreements include a list of capital improvements and costs that were previously approved by the signatory airlines. The Port may proceed with any of those projects without further review by the signatory airlines unless at the time the Port elects to proceed with the construction of an approved project, the Port’s estimate of the approved project’s costs that will be added to the airline rate base exceeds 110 percent (in constant dollars) of the estimated cost at the time of approval, in which case the Port is required to notify the signatory airlines and, following any objection by a majority-in-interest, to delay the project for 180 days. As defined in the 2006 Airline Agreements, “majority-in-interest” means air carriers that account for more than 55 percent in number of the signatory airlines and that also account for more than 55 percent of the terminal rents and landing fees paid by all signatory airlines at the Airport during the immediately preceding fiscal year.

The 2006 Airline Agreements also provide for an additional \$1.85 billion approved capital budget for new capital projects expected to impact the airline rate base during the term of the 2006 Airline Agreements. For new capital improvements to the terminal or the airfield of \$2.5 million or more or for new capital improvements to roadways of \$4.5 million or more, the 2006 Airline Agreements require the Port to give to the signatory airlines notice and an opportunity to object and provide that for 180 days the Port may not proceed with construction of any new project objected to by a majority-in-interest. The Port also is required to give the signatory airlines an opportunity to object if at the time the Port elects to proceed with the new project the Port’s then-current estimate (calculated in constant dollars) exceeds 110 percent of the new project’s estimated total budget previously disclosed to the signatory airlines. In addition, the Port may not increase the amount of the approved capital budget for new projects if a majority-in-interest (taking into account only the signatory airlines voting, as opposed to all of the signatory airlines) vote “no,” although the Port may request approval again at a later date. Projects exempt from majority-in-interest review are improvements required by a federal or state authority with jurisdiction over the Airport, capital improvements of an emergency nature, capital repairs to or replacements of damaged or destroyed property, capital improvements made to settle claims or lawsuits or to comply with judicial or administrative orders against the Port and under certain circumstances, capital improvements required to make additional terminal space available to an air carrier. Projects that do not affect airline charges are not subject to any of the limitations described above.

The 2006 Airline Agreements do not require signatory airline approval of the issuance of debt as a condition to including either the cost of capital improvements or the related debt service in the airline rate base. The 2006 Airline Agreements provide, however, that the Port may not include in the airline rate base the capital costs of a capital improvement or the related debt service until the capital improvement is completed or until the capitalized interest fund for that capital improvement is exhausted.

Airlines representing approximately 99 percent of enplaned passengers in 2005 have signed 2006 Airline Agreements and are “signatory airlines.” Airlines that operate at the Airport but are not signatory airlines (“non-signatory airlines”) are permitted to land at the Airport and to use Airport facilities on a common-use basis in accordance with an operating permit. The 2006 Airline Agreements require that landing fees and charges for use of the Port’s gates and other facilities by non-signatory airlines be set at ten percent above the rates applicable to the signatory airlines under the 2006 Airline Agreements.

**Port of Seattle Container Volumes<sup>(1)</sup> (in thousands)**

<u>Year</u>	<u>International Containers</u>					<u>Total</u>	<u>Domestic</u> <sup>(2)</sup>	<u>Total</u> <sup>(3)</sup>
	<u>Inbound</u>		<u>Outbound</u>					
	<u>Metric Tons</u>	<u>Full TEU's</u>	<u>Metric Tons</u>	<u>Full TEU's</u>	<u>Empty TEU's</u>			
2005 <sup>(4)</sup>	5,841	846	6,209	485	414	1,746	342	2,088

- 1) Approximate weight per TEU at the Port is seven metric tons of import cargo and 13 metric tons of export cargo.  
 2) Includes volumes handled by non-Port facilities in the Seattle harbor. Includes full and empty containers.  
 3) Total for the Seattle harbor. Total might not equal the sum of component parts due to rounding.  
 4) For the first four months of 2006 container traffic decreased 5.6% compared to the first four months of 2005.  
 Note: This table was called "International Containerized Trade" in Series 1996A&B and 1997A&B.  
 Source: Port of Seattle Container and Tonnage Statistics Reporting System.

**Containerized Cargo Trends and Market Share for 2005 (TEU's in thousands)**

<u>Seattle</u>		
<u>Estimated</u>		
<u>TEU's</u>	<u>Percent of West Coast</u> <sup>(1)</sup>	<u>Estimated Percent of Pacific Northwest</u> <sup>(2)</sup>
2,088	9.3%	34.3%

1. West Coast is Seattle, Tacoma, Portland, Oakland, Los Angeles, Long Beach, and Vancouver, BC.  
 2. Pacific Northwest is Seattle, Tacoma, Portland and Vancouver, BC.

**Seattle Harbor Top Ten Foreign Trade Partners Total Exports and Imports for 2004<sup>(1)</sup>**

(in metric tons)

<u>Country</u>	<u>Import</u>	<u>Export</u>	<u>Total</u>	<u>Market Share</u>
<b>Canada</b> <sup>(2)</sup>	3,719,517	598,805	4,318,322	25.9%
<b>China</b>	1,719,583	1,761,950	3,481,533	20.9%
<b>Japan</b>	702,170	2,728,492	3,430,662	20.5%
<b>Taiwan</b>	264,673	1,283,984	1,548,657	9.3%
<b>South Korea</b>	278,690	531,733	810,423	4.9%
<b>Thailand</b>	355,661	199,185	554,846	3.3%
<b>Mexico</b>	441,799	4,982	446,781	2.7%
<b>Indonesia</b>	80,157	316,913	397,070	2.4%
<b>Malaysia</b>	71,608	179,422	251,030	1.5%
<b>Hong Kong</b>	75,800	140,313	216,113	1.3%
<b>Other</b>	505,183	735,496	1,240,679	7.4%
<b>TOTAL</b>	<b>8,214,841</b>	<b>8,481,275</b>	<b>16,696,116</b>	<b>100.0%</b>

- (1) This table includes all cargoes that pass through the Seattle harbor, including cargoes handled by non-Port operators. Totals may not add to 100 percent due to rounding  
 (2) Canadian imports are primarily minerals, a bulk cargo not handled by the Port.

**Annual Throughput Volume (in TEU's) at Terminal 18**

878,844 TEU's in 2005

**Seattle's Share of Puget Sound Container Traffic**

Seattle's share of Puget Sound (the ports of Seattle and Tacoma combined) container traffic in 2005 was 50.3%.

**Exports and Imports (in TEU's) to and from Asia in 2005**

Export: 448,557 full TEU's

Import: 825,499 full TEU's

**Non-Container Cargo Trends in 2005**

<u>Cargo</u>	<u>Metric Tons (in 1000's Tons)</u>
Grain	5,049
Breakbulk	144
Liquid Bulks	<u>911</u>
Total	6,104

**PORT OF SEATTLE CONTAINER TERMINALS in 2005**

<b><u>Category</u></b>	<b><u>Terminal 5</u></b>	<b><u>Terminal 18</u></b>	<b><u>Terminal 25</u></b>	<b><u>Terminal 46</u></b>
Primary Lessee	Eagle Marine Services, Ltd. / APL <sup>(a)</sup>	Stevedoring Services of America, Inc. and SSA Terminals LLC <sup>(b)</sup>	SSA Terminals LLC	Total Terminals International LLC <sup>(c)</sup>
Terminal Area	182 acres (expansion area completed 1998)  <i>Leased – 158 acres</i>  <i>Available for expansion – 24 acres</i>	196 acres (expansion area completed 2002)  <i>Leased – 196 acres</i>	32 acres  <i>Leased – 32 acres</i>	88 acres (improvements undertaken in 2004/5)  <i>Leased – 88 acres</i>
Lease expiration	2028	2032	2020, plus three 5-year extensions	2015, plus one 10-year extension
Berth Facilities	2,900 feet	4,500 feet	1,200 feet	2,780 feet
Water Depth	45 ft to 50 ft below mllw	46 ft to 50 ft below mllw	45 ft to 50 ft below mllw	50 ft below mllw
Container Cranes <sup>(d)</sup>	Six (6) 100-ft gauge (post-Panamax) cranes	One (1) 50-ft gauge (Panamax) crane, Three (3) 50-ft gauge (post-Panamax) cranes, and Three (3) 100-ft gauge (super post-Panamax) cranes	Three (3) 50-ft gauge (Panamax) cranes <sup>(e)</sup>	One (1) 50-ft gauge (Panamax) crane, Two (2) 100-ft gauge (post-Panamax) cranes, and Three (3) 100-ft gauge (super post-Panamax) cranes
Gross Revenue	\$24,927,176	\$10,544,114 <sup>(f)</sup>	\$1,016,048 <sup>(g)</sup>	\$10,163,073

(a) Eagle Marine is a subsidiary of APL (formerly American President Lines).

(b) SSAT can be sole signer with consent from SSA.

(c) Total Terminals International LLC is a joint venture between Marine Terminals Corporation and Hanjin Shipping Company, Ltd.

(d) Post-Panamax cranes are designed to service "post-Panamax" container ships; generally container ships with a width in excess of 106 feet (with a maximum of 13 container rows wide), and that are too wide to pass through the Panama Canal. Post-Panamax cranes are able to accommodate vessels with 17 rows of containers. Super post-Panamax cranes are able to accommodate vessels with 18 or more rows of containers.

(e) Cranes are owned by lessee

(f) Terminal 18 revenues are reported net of debt service paid on Special Facility Revenue Bonds Series 1999.

(g) Represents partial year revenue, August to December 2005.

Source: Port of Seattle

## Non-Container Terminal Leases for 2005

Terminal	2005 Facility Gross Revenue	Primary Lessee	Primary Operations	Date of Lease Expiration
T-91	\$5,505,917	City Ice & Cold Storage Trident Seafoods Corporation American Seafoods Company First Student, Inc. Arctic Storm, Inc. Supreme Alaska Seafoods Phoenix Processor LP Glacier Fish Company	Cold Storage Seafood Processing Plant Fishing Vessels School Buses Fishing Vessels Fishing Vessels Fishing Vessels Fishing Vessels	06/30/2019 & 06/30/2024 <sup>(1)</sup> 11/30/2020 03/31/2007 <sup>(3)</sup> 07/31/2006 09/30/2006 10/31/2006 10/31/2006 3/31/2006 <sup>(2)</sup>
T-115	4,002,375	Northland Services Seafreeze Polar Supply Co., Inc.  Shultz Distributing, Inc. Sea Pac Transport Services	Barges Seafood Processing & Storage Manufacturing, Storage & Distribution of Concrete Commercial Vehicle Fueling Storage of Materials &Equipment	12/31/2032 12/31/2017 12/31/2009  08/09/2011 11/30/2006
T-86	5,739,773	Louis Dreyfus Corporation	Bulk Grain	11/14/2010
T-102	2,074,399	Mountaineers Books Bowhead Transportation Company Puget Sound Institute of Pathology Department of Homeland Security Virtuoso, Inc. The Retec Group, Inc. Starbucks, Inc. AKS PS Inc. Blockbuster Entertainment, Inc. Japan Radio, Co. Ltd. Icicle Seafoods, Inc. Marine Terminals Corp.	General Office & Warehouse Storage Office & Laboratory Government General Office & Storage General Office & Storage General Office and Warehouse General Office General Office General Office & Warehouse General Office & Storage General Office	08/31/2008 11/30/2006 01/31/2006 <sup>(2)</sup> 01/31/2007 08/31/2009 12/31/2006 12/31/2008 03/14/2006 <sup>(4)</sup> 09/30/2008 05/31/2007 09/09/2009 08/31/2006
T-106	720,309	Ash Grove Cement West, Inc. Conglobal Industries, Inc. Nuprecon	Industrial Storage Container Storage and Repair Construction Equipment Storage & Distribution	12/31/2010 08/18/2007 07/31/2006
T-108	709,814	Conglobal Industries, Inc.	Container Storage and Repair	08/18/2007
T-104	554,238	Western Cartage, Inc.	Truck and Trailer Parking	06/30/2010
T-103	435,818	General Construction Company Northwest Aggregates Company	Industrial Storage Rock Sales and Transport	06/30/2006 <sup>(5)</sup> 11/30/2006

(1) Expiration dates of two lease agreements with City Ice & Cold Storage.

(2) Lease being extended on a month-to-month basis.

(3) Lease has been extended to 5/31/2008.

(4) Lease has been extended to 3/14/2009.

(5) Lease has been extended to 6/30/2011.

Source: Port of Seattle

## Seaport Division Operating Revenue for 2005

### Port of Seattle Seaport Division 2005 Operating Revenue

	Revenue (in millions)	Percentage
<b>Cargo and Cruise Services</b>		
Containers	\$ 46.7	44.8%
Cargo Docks	8.7	8.3
Cruise	<u>4.0</u>	<u>3.8</u>
Subtotal	59.4	56.9%
<b>Non-cargo</b>		
Harbor Services	9.3	8.9
Property Management/Business Development	30.2	29.0
Security <sup>(1)</sup>	<u>5.4</u>	<u>5.2</u>
Subtotal	44.9	43.1%
<b>Total Seaport Operating Revenue</b>	<b>\$104.3</b>	100.0%

(1) The Security Group's operating revenues in 2005 were in the form of grants.

Note: Amounts and percentages may not foot due to rounding.

Source: Port of Seattle.

## Seaport Division Revenues and Expenses for 2005

This information is reported in the table "Port Historical Operating Results as of December 31, 2005", and in the Port's Financial Statements.

### Percentage of Non-Cargo Revenue

This information is included in the table "Seaport Division 2005 Operating Revenue."

## **Value and Type of Goods Imported and Exported Through the Port**

In 2004 (the year for which the most current data are available), the value of international goods handled by the Port was approximately \$29.2 billion.

In terms of commodity value, leading import products include wearing apparel; games, video games; footwear; motor vehicle parts; office and data-processing machines, parts; audio equipment; electrical/electronic equipment and parts; toys; furniture; and telecommunications, sound and recording equipment. Export products include inorganic chemicals; beef, pork, poultry; oilseeds; industrial equipment; frozen fish; animal feeds; motor vehicle parts; paper; frozen vegetables; grains/cereals.

## **Rent Schedule and Debt Service Coverage for Terminal 18**

	<b>9/1/2005</b>
Net Revenue Available for Debt Service <sup>(1)</sup>	16,211,201
Series 1999 Bond Net Debt Service <sup>(2)</sup>	11,407,236
Coverage	1.42

(1) Rent for the months of September 2004 through August 2005, net of Senior Payments

(2) Debt Service paid Net Revenue Available (excludes debt service paid from escrow for defeased bonds)

NOTE: On January 6, 2006 the Port defeased \$59,740,000 of Series 1999A bonds.