



November 15, 2018

Mr. Patrick Klein
Director of Aviation
Kansas City Aviation Department
601 Brasilia Avenue
Kansas City, MO 64153

Re: MCI Terminal Development Program

Dear Mr. Klein,

I write to reiterate Allegiant's position regarding the Terminal Development Program for Kansas City International Airport (MCI). As you know, we remain concerned that the projected costs of the terminal project – expected to exceed \$1.6 billion – will prove detrimental to air service at MCI, particularly for low-fare, low-frequency carriers like Allegiant.

After numerous discussions with the other air carriers serving MCI, it has become apparent that the larger, high-frequency air carriers are determined to codify an airport rates and charges agreement that penalizes low-frequency (smaller) carriers. While the airport has proposed multiple solutions that would create equitable rates for carriers with varying business models, the larger carriers have rejected these proposals and continue to demand an agreement that would place a disproportionate amount of airport operating costs on Allegiant (as well as other smaller carriers).

Given that the terms for the new airport rates and charges agreement remain unknown, and considering the larger carriers continue to reject equitable cost allocation, Allegiant cannot support the Terminal Development Program at this time. While we appreciate your continued efforts to find a sensible solution that works for all carriers serving MCI, the uncertainty surrounding a higher-cost environment leaves us questioning whether smaller carriers like Allegiant will be able to maintain MCI service once the costs of the project are reflected in the rates and charges.

We will continue to work with you and your staff, as well as the other airlines at MCI, in hopes that we can come to an agreement that fairly and equitably distributes airport operating costs among the carriers.

Respectfully,

A handwritten signature in blue ink, appearing to read "KH", written over a light blue horizontal line.

Keith Hansen
VP, Airports & Government Affairs
Allegiant Air
702.830.8446



cc:

Mayor Sly James

Kimberly Randolph (for Mayor Pro Tem Scott Wagner)

Councilman Dan Fowler

Councilwoman Heather Hall

Councilwoman Jolie Justus

Councilwoman Teresa Loar

Councilman Quinton Lucas

Councilman Jermaine Reed

Councilwoman Katheryn Shields

Keema McCoy (for Councilman Lee Barnes, Jr.)

Cynthia Jackson (for Councilwoman Alissa Canady)

Katrina Foster (for Councilman Scott Taylor)

Fred Wickham (for Councilman Kevin McManus)

Daniel Meier (Allegiant)

Thayne Klingler (Allegiant)