

RESOLUTION NO. 27768

WHEREAS, on recommendation of Management, there was presented for approval, Revision 6 to the Los Angeles International Airport Passenger Terminal Tariff to amend [i] certain definitions and [ii] the fees and charges section to incorporate the Amended Rate Methodology, effective July 1, 2023; and

WHEREAS, as aeronautical activity continues to recover from the adverse impact of the COVID-19 pandemic, the following actions are now required to complete the rate stabilization and harmonization efforts started several years ago: (1) amend the methodology for establishing rates and charges for use of terminal facilities and equipment ("Amended Rate Methodology"); (2) amend the Los Angeles International Airport (LAX) Passenger Terminal Tariff (Tariff) to be consistent with the Amended Rate Methodology; and (3) amend and restate the Rate Agreement to offer signatory carriers certain mitigations, including a gradual phase-in of newly-developed access facilities and acreage and costs allocable to airline cost centers; and

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Justin Erbacci  
Chief Executive Officer

WHEREAS, approval of Revision 6, attached hereto as Exhibit 1 and made part hereof, aligns the Tariff with modifications to the Rate Methodology, simplifies the rate structure, limits administrative burden, thereby enhancing cost recovery. The combined concurrent actions stated above ensure flexibility in permitting to meet future exogenous emergencies and incentivize air carrier adoption of efficient passenger processing technologies; and

WHEREAS, said Revision 6 amends: (1) certain definitions; and (2) the fees and charges section to implement the Amended Rate Methodology; and

WHEREAS, Revision 6 covers incorporation of the revisions to the Rate Methodology structure that staff proposed to charge aeronautical users subject to the Tariff. Revision 6 incorporates, among others, the following amendments to the Rate Methodology that have been made to date: (a) removal of Terminal Airline Support System charges (as they are now incorporated into the Terminal Building requirement); (b) redefining the loading bridge capital and operations and maintenance fee consistent with the Amended Rate Methodology; and (c) redefining operations and maintenance expenses to include capital outlays consistent with the Amended Rate Methodology; and

WHEREAS, staff also proposed to revise the definitions of certain terms and add new definitions in the Tariff to reflect the Amended Rate Methodology; and

WHEREAS, establishment or modification of any rate, fee or charge for the use of existing municipal facilities and services is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (31) of the Los Angeles City CEQA Guidelines; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (31) of the Los Angeles City CEQA Guidelines; and approved Revision 6 to the Los Angeles International Airport Passenger Terminal Tariff to amend [i] certain



definitions and [ii] the fees and charges section to incorporate the Amended Rate Methodology, effective July 1, 2023.

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I hereby certify that this Resolution No. 27768 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, June 15, 2023.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS

*Attachment:*

*- Exhibit 1: Los Angeles International Airport Passenger Terminal Tariff Revision No. 6*

**Los Angeles International Airport Passenger Terminal Tariff – Revision No. 6**

1. Section 2.3.2 of the Tariff shall be amended and restated as follows:

2.3.2. Common Use Domestic Baggage Claim Fee. Airlines subject to this Tariff shall pay to LAWA a ‘Common Use Domestic Baggage Claim Fee’ for the use of the Common Use Domestic Baggage Claim System. The Common Use Domestic Baggage Claim Fee shall be calculated for each calendar month in an amount equal to the Common Use Domestic Baggage Claim Rate multiplied by the number of each Airline’s Deplaned Domestic Passengers in the Terminals for the month. The Common Use Domestic Baggage Claim Rate in effect as of the Commencement Date is the amount reflected on the Basic Information Schedule as the “Common Use Domestic Baggage Claim Rate.”

2. Section 2.4.2 of the Tariff shall be amended and restated as follows:

2.4.2. LAWA-owned Loading Bridge Fee. Airlines subject to this Tariff in certain Terminals shall pay to LAWA a “LAWA-owned Loading Bridge Capital Fee” and a LAWA-owned Loading Bridge O&M Fee” for the use of LAWA-owned loading bridges as follows:

2.4.2.1. The LAWA-owned Loading Bridge Capital Fee for the use of LAWA-owned loading bridges for each Airline subject to this Terminal Special Charge shall be calculated for each calendar month in an amount equal to the LAWA-owned Loading Bridge Capital Rate multiplied by the number of each Airline’s Turns on such of LAWA-owned loading bridge in each designated aircraft class for the month.

2.4.2.2. The LAWA-owned Loading Bridge O&M Fee for the use of LAWA-owned loading bridges for each Airline subject to this Terminal Special Charge shall be calculated for each calendar month in an amount equal to the LAWA-owned Loading Bridge O&M Rate multiplied by the number of each Airline’s Turns on such of LAWA-owned loading bridge in each designated aircraft class for the month.

2.4.2.3. If applicable, the LAWA-owned Loading Bridge Capital Rate and LAWA-owned Loading Bridge O&M Rate in effect as of the Commencement Date is reflected on the Basic Information Schedule as the “LAWA-owned Loading Bridge Capital Rate” and “LAWA-owned Loading Bridge O&M Rate.”

3. Sections 2.4.3, 2.4.4 and 2.4.5 of the Tariff shall be deleted in its entirety.

4. The definitions for the following terms in Section 26 of the Tariff shall be amended and restated in its entirety as follows:

“Capital Costs” shall mean all capital costs of the Airport, including the following:

(a) Debt service (net of PFC’s) allocable to bond-funded Capital Improvements.

(b) Debt service coverage allocated in accordance with stated bond covenant requirements (currently 1.25 for senior debt obligations and 1.15 for subordinate debt obligations).

(c) Amortization allocable to Capital Improvements funded with airport revenue, based on the economic life for each Capital Improvement and calculated using an interest rate set to equal the average all-in cost of Airport debt sold by LAWA during the year when such Capital Improvement is put in service or, if no Airport debt was sold or if cash was used by City to pay down bond or interim financing principal pursuant to Section 8 and Section 10.8 of the 2023 Amended and Restated Rate Agreement effective on and after July 1, 2023 as it may be amended from time to time, set to equal comparable published average borrowing costs.

“Common Use Areas,” previously referred to as “Joint Use Areas” under the Tariff, shall mean the space in any Terminal designated by the CEO be used in common by one or more Airlines or otherwise benefitting one or more Airlines for operations and include, without limitation, Common Use Holdrooms, Common Use Ticket Counters, Common Use Domestic Baggage Claim Areas and Common Use Outbound Baggage System Areas.

“Common Use Domestic Baggage Claim System” shall mean equipment that delivers inbound baggage to arriving passengers. (excluding equipment serving the FIS Areas).

“Common Use Outbound Baggage System Areas” shall mean the space in any Terminal designated by the CEO to be used in common with other Airlines for the sorting of outbound baggage for delivery to departing aircraft and includes, including the areas where Common Use Outbound Baggage Systems are located, but excluding the areas leased by Airlines for Airline-Operated Common Use Outbound Baggage Systems.

“Deplaned Domestic Passengers” shall mean the number of passengers, not including the flight crew, disembarking from a domestic flight at the Terminals and shall include passengers clearing customs and immigration in the country that his or her flight originated from, disembarking from an international flight at the Terminals.

“Deplaned International Passengers” shall mean the number of passengers, not including the flight crew or passengers clearing customs and immigration in the country that his or her flight originated from, disembarking from an international flight at the Terminals.

“Enplaned Passengers” shall mean the number of passengers, not including the flight crew or international in-transit passengers, but including both originating and connecting passengers, embarking on a flight at the Terminals.

“Operations and Maintenance Expenses” previously referred to as “Terminal Expenses” under the Tariff shall mean the total operations and maintenance expenses and Capital Outlays of the Airport.

5. The following terms and definitions shall be added to Section 26 of the Tariff:

“Airline-Operated Common Use Domestic Baggage Claim Systems” shall mean the inbound baggage equipment maintained, and the associated space leased, by one Airline that is used from time to time by other Airlines on a common use basis (excluding any such space and equipment serving the FIS Areas).

“Airline-Operated Common Use Outbound Baggage Systems” shall mean the outbound baggage equipment maintained, and the associated space leased, by one Airline that is used from time to time by other Airlines on a common use basis.

“Capital Outlays” shall mean all expenditures for the purchase of equipment, vehicles and information technology systems and expenditures on maintenance, replacement and repair projects at the Airport, appropriated annually as part of LAWA’s operating budget authorization.

“CEO” shall mean the Chief Executive Officer of the Department of Airports for the City of Los Angeles, California, or his or her designee.

“Common Use Domestic Baggage Claim Areas” shall mean the space in any Terminal (excluding the FIS Areas) designated by the CEO to be used in common with other Airlines for the delivery of inbound baggage to arriving passengers, including the baggage recheck areas and the areas where Common Use Domestic Baggage Claim Systems are located, but excluding the areas leased by Airlines for Airline-Operated Common Use Domestic Baggage Claim Systems.

“LAWA-owned Loading Bridge Capital Rate” means the amount calculated pursuant to the Rate Methodology, expressed in U.S. dollars, by which the LAWA-owned Loading Bridge Capital Fee is computed under the terms of Section 2.

“LAWA-owned Loading Bridge O&M Rate” means the amount calculated pursuant to the Rate Methodology, expressed in U.S. dollars, by which the LAWA-owned Loading Bridge O&M Fee is computed under the terms of Section 2.

6. The following terms and definitions shall be deleted from Section 26 of the Tariff:

“Executive Director” shall mean the Executive Director of the Department of Airports for the City of Los Angeles, California, or his or her designee.

“Common Use Loading Bridge” means a passenger loading bridge and related

equipment owned by LAWA.

“Common Use Loading Bridge Capital Rate” means the amount calculated pursuant to the Rate Methodology, expressed in U.S. dollars, by which the Common Use Loading Bridge Capital Fee is computed under the terms of Section 2.

“Common Use Loading Bridge O&M Rate” means the amount calculated pursuant to the Rate Methodology, expressed in U.S. dollars, by which the Common Use Loading Bridge O&M Fee is computed under the terms of Section 2.

“Terminal Airline Support Systems” means an information technology system, used to allocate terminal resources (gates, stands, ticket counters, baggage carousels, bag sortation piers, flight information displays, gate information displays, and public address systems) to assist Airlines with passenger processing.

7. The phrase “Executive Director” used throughout the Tariff shall be replaced with the term “CEO.”