



LOS ANGELES INTERNATIONAL AIRPORT MID YEAR PROGRESS REPORT ON MOU IMPLEMENTATION

The Los Angeles World Airports (“LAWA” or “Airport”) is pleased to submit this bi-annual progress report as requested by the South Coast Air Quality Management District (“South Coast AQMD”). On December 6, 2019 a Memorandum of Understanding (“MOU”) was entered into by the South Coast AQMD and the Airport. The purpose of this bi-annual progress report is to provide an interim report concerning the progress on the MOU measures.

Since the inception of the Corona Virus pandemic, domestic and international air travel has drastically decreased and the outlook for recovery remains uncertain. LAX passenger activity has dropped 95% and it is estimated that passenger traffic and corresponding revenues will be down 50-65% from 2019 levels. Both capital and operating budgets are especially challenging due to difficulties forecasting passenger traffic and significantly decreased revenues from non-aeronautical sources. This has forced LAWA, airlines, ground support equipment (“GSE”) operators, and many related third parties to reevaluate capital plans and allocation of resources. Many airlines, GSE operators, and third parties have suspended capital expenditures for the foreseeable future, while focusing available resources on the response to COVID-19. Nevertheless, LAWA has continued to move forward with implementing key air quality improvement policies and practices. The progress on the measures in the LAX MOU as related to non-aircraft commercial passenger airport mobile sources are addressed below.

MEASURE NO. 1 - GROUND SUPPORT EQUIPMENT EMISSIONS REDUCTION POLICY

As a key measure identified in the MOU with the South Coast Air Quality Management District, in November 2019, LAWA updated its already existing Ground Support Equipment (GSE) Emissions Reduction Policy (GSE Policy) to reflect the new targets agreed to in the MOU. The updated GSE Policy requires all GSE operators operating at LAX to reduce NO_x emissions to achieve a GSE fleet average composition emissions factor which is equal to 1.8 horsepower-hour of nitrogen oxide (g/hp-h of NO_x) by January 1, 2023 and 1.0 g/hp-p of NO_x by January 1, 2023.

Pursuant to the MOU Section II, LAWA has continued to implement its GSE Policy and work with airport tenants to provide an equipment and emissions inventory for all GSE operating at LAX. In May 2020, LAWA completed the GSE inventory and the emissions analysis of GSE equipment at LAX for reporting year 2019. The 2019 LAX GSE airport-wide NO_x + HC emission factor equals 1.56 grams per brake horsepower hour (g/hp-p of NO_x), exceeding the 2023 AQIM target of 1.8 g/hp-p of NO_x and approximately 34% of the GSE operating at LAX utilize electricity over fossil fuels. Since its inception, the LAWA GSE Program has reduced NO_x emissions on the airfield by 337.5 tons per year. This reduction in NO_x is equivalent to the daily operation of 235,000 passenger vehicles.

MEASURE NO. 2 - LAX ALTERNATIVE FUEL VEHICLE INCENTIVE PROGRAM

The second measure in the MOU is the LAX Zero and Near-Zero Emission Heavy Duty Vehicle Incentive Program (AFV Incentive Program). The AFV Incentive Program is a one-time incentive program to encourage operators of heavy-duty vehicles subject to the LAX AFV Requirement Program to replace conventionally fueled heavy-duty vehicles with zero or near-zero emission vehicles at LAX. The program will distribute \$500,000 in funding to applicants based on the "incremental cost" of the zero or near-zero emission vehicles as compared to conventionally fueled equivalents with a Gross Weight Rating (GVWR) of 14,001 pounds or greater by December 31, 2021. The vehicle being replaced must either be scrapped or relocated outside of California. The target for this MOU measures is to fully implement this incentive program by December 31, 2021.

In 2019, LAWA announced the LAX Zero and Near-Zero Emission Heavy Duty Vehicle Incentive Program and received applications for the incentive funding. LAWA received applications from eight (8) operators to replace 24 vehicles. In February 2020, the Board of Airport Commissioners (BOAC) authorized LAWA to distribute funds to the eight successful applicants - Air Faayre CA, Central Coast Shuttle Services Inc., Hacor Inc., Kotobuki-Ya, Inc., HMS Host International, Inc., Mutual Liquid Gas and Equipment Company, Inc., Royal Airline Linen, and Sixt Rent-A-Car – upon placement of the vehicle into service at LAX.

The replacement of these 24 vehicles will reduce greenhouse gas emissions and save 0.11 tons of NOx, which is equivalent to the removal of 8,183 cars from the road per year. Funds will be distributed on a reimbursement basis only once the applicant has acquired the replacement vehicle, replaced the existing vehicle, and submitted acceptable documentation to LAWA.

MEASURE NO.3 – ZERO-EMISSION BUS PROGRAM

The third measure in the MOU is the LAWA Zero Emission Bus Program. The LAWA Zero Emission Bus Program requires that LAWA convert 20% of its bus fleet to zero-emission buses by January 2023 and 100% by January 2031. Pursuant to the MOU, beginning in 2021 through 2032, LAWA will provide SCAQMD a list of buses operating at LAWA on an annual basis along with an emissions inventory for the LAWA-owned buses including a methodology and calculations by June 1 for each proceeding calendar year.

As of May 2020, LAWA owns 156 buses – 33 airfield buses and 123 landside buses, which includes terminal buses, parking buses, employee buses, and LAXit buses. On April 19, 2018, BOAC approved the purchase of twenty (20) all-electric airfield buses to replaced aging diesel buses. In 2019, all 20 of the buses were delivered to LAWA and are in operation at LAX. These 20 buses replaced fourteen (14) diesel -fueled buses and added six (6) electric buses to the airfield bus fleet. Based on LAWA's current bus fleet size, the twenty (20) all-electric buses comprise 13% of LAWA's bus fleet.