

## **COMMUNITY BENEFITS AGREEMENT**

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### **LAX MASTER PLAN PROGRAM**

#### **I. INTRODUCTION.**

This Community Benefits Agreement sets forth (1) a range of community benefits and impact mitigations that will be provided by the Los Angeles World Airports as part of the LAX Master Plan Program, and (2) an ongoing role for the LAX Coalition in implementation and oversight of these benefits and mitigations. This Community Benefits Agreement is agreed to by the LAX Coalition and LAWA in connection with, and as a result of, the Cooperation Agreement to which it is attached. All requirements set forth below begin immediately upon the effective date of the Cooperation Agreement, unless otherwise specified. Notwithstanding any other provision of this Agreement, LAWA shall have no responsibility to expend funds where the Federal Aviation Administration has made a determination that the expenditure violates or would violate either 49 U.S.C. § 47133, “Restriction on use of revenues,” or that statute’s implementing regulations.

#### **II. DEFINITIONS.**

As used in this Agreement, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“1997 GSE Fleet” shall mean the collective GSE of the Nonparticipating GSE Operators On-Site as of December 31, 1997, and replacements of GSE.

“Agreement” shall mean this Community Benefits Agreement.

“Airport Contract” shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.

“Airport Contractor” shall mean (1) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (2) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (3) any contractors that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.

“Airport Job” shall mean a job for which the employer is LAWA, an Airport Contractor, an Airport Lessee, or an Airport Licensee, and either (1) the job is performed On-Site, or (2) the job is directly related to a contract, lease, licensing arrangement, or permitting arrangement under

which the employer is an Airport Contractor, an Airport Lessee, or an Airport Licensee. Jobs operating Transportation Charter Party limousines, non-tenant shuttles, or taxis shall not be considered Airport Jobs.

“Airport Lessee” shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.

“Airport Licensee” shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.

“ANMP” shall mean LAX’s Aircraft Noise Mitigation Program.

“Alternative-Fuel Vehicle” shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies. Vehicles that are powered with a fuel that includes petroleum-derived gasoline or diesel are Alternative-Fuel Vehicles only if the petroleum-derived energy content of the fuel is no more than 20 percent of the total energy content of the fuel. Vehicles powered by dual fuel technologies are Alternative-Fuel Vehicles only if no more than 20 percent of the fuel used by the engine comes from a petroleum-derived fuel. Vehicles powered by fuels that are derived from sources other than petroleum, but that can be used in conventional spark or combustion-ignition engines, are Alternative-Fuel Vehicles.

“Aviation-Related Job” shall mean a job, other than an Airport Job, that is on-airport or off-airport and that the FAA approves pursuant to the provisions of this Agreement.

“BOAC” shall mean the Board of Airport Commissioners of the City of Los Angeles.

“CARB” shall mean the California Air Resources Board.

“Cargo Operations Areas” shall mean On-Site areas, excluding passenger terminal apron areas, in which the on-loading and off-loading of cargo from aircraft is conducted.

“CDD” shall mean the Community Development Department of the City of Los Angeles.

“CEQA” shall mean the California Environmental Quality Act.

“City” shall mean the City of Los Angeles.

“Coalition” shall have the meaning set forth in the Cooperation Agreement.

“Coalition Representative” shall have the meaning set forth in the Cooperation Agreement.

“Community Noise Equivalent Level” or “CNEL” shall mean a 24-hour energy equivalent level derived from a variety of single-events, with weighting factors of 4.8 and 10 dBA applied to the

evening (7 p.m. to 10 p.m.) and nighttime (10 p.m. to 7 a.m.) periods, respectively, to allow for the greater sensitivity to noise during these hours.

“Contract Award Process” shall have the meaning set forth in Section XVI.C.

“Cooperation Agreement” shall mean the Cooperation Agreement entered into between the Coalition and LAWA, to which this Agreement is attached.

“Demonstration Project” shall mean the approved use of a diesel emission control device on a construction-related diesel engine when the device (1) has not been previously used in a commercial context or (2) utilizes an innovative or new technology or strategy.

“EPA” shall mean the United States Environmental Protection Agency.

“Equipped Passenger Gate” shall mean a Passenger Gate that is able to provide electricity to parked aircraft sufficient for aircraft needs.

“Equipped Cargo Operations Area” shall mean a Cargo Operations Area that is able to provide electricity to parked aircraft sufficient for aircraft needs.

“FAA” shall mean the Federal Aviation Administration.

“FAA Approval” or “FAA Determination” shall have the meaning set forth in the Cooperation Agreement.

“Ground Service Equipment” or “GSE” shall mean any vehicle that (1) is listed in Table 3 of Appendix 1 of the SCGSE MOU; (2) lacks a license plate issued by the California Department of Motor Vehicles; (3) is powered by an engine of 25 horsepower or greater; (4) is not subject to compliance with SCAQMD Rule XX—RECLAIM; and (5) is not included in a mobile source emissions reduction credit program under SCAQMD Rule XVI.

“GSE Operator” shall mean any Airport Contractor, Airport Lessee, or Airport Licensee that operates any GSE On-Site, and LAWA when it operates GSE On-Site.

“Heavy-Duty Vehicle” shall mean a vehicle having a gross vehicle weight of at least 14,000 pounds.

“Independent Expert” shall mean a person or an entity with relevant knowledge and experience and that is qualified to perform a specified study.

“Independent Third Party Monitor” shall mean a person or an entity selected through a Contract Award Process and empowered to monitor compliance with and/or implementation of particular requirements described in this Agreement, or to perform other functions described in this Agreement.

“LAWA” shall mean Los Angeles World Airports.

“LAX” shall mean Los Angeles International Airport.

“LAX Hangar” shall mean an aircraft maintenance facility located On-Site.

“LAX Master Plan” shall have the definition set forth in the Cooperation Agreement.

“LAX Master Plan Program” shall have the definition set forth in the Cooperation Agreement.

“Least-Polluting Available Vehicle” shall mean a vehicle that (a) is determined by an Independent Third Party Monitor to be (i) commercially available, (ii) suitable for performance of a particular task, and (iii) certified by CARB or EPA to meet the applicable engines emission standard in effect at the time of purchase; and (b) is equipped with a retrofit device that reduces NOx emissions by at least 25 percent and reduces PM by at least 85 percent. Where more than one vehicle meets these requirements for a particular task, the Independent Third Party Monitor shall designate as the Least-Polluting Available Vehicle the vehicle that emits the least pollution.

“Low-Income Individual” shall mean an individual whose household income is no greater than 80% of the median income, adjusted for household size, for the Primary Metropolitan Statistical Area.

“Master Plan EIR/EIS” shall have the definition set forth in the Cooperation Agreement.

“Medium-Duty Vehicle” shall mean a vehicle having a gross vehicle weight of more than 6,000 pounds and less than 14,000 pounds.

“New GSE” shall mean GSE of which a GSE Operator commences or commenced operation On-Site after December 31, 2003, except GSE that is a replacement of GSE operated On-Site by a Nonparticipating GSE Operator On-Site as of December 31, 1997.

“Nonparticipating GSE Operator” shall mean any GSE Operator that is not bound as a “Participating Airline” as specified in the SCGSE MOU.

“On-Site” shall mean physically located on property owned or leased by LAWA and pertaining to LAX.

“Operationally Infeasible” shall mean a requirement or technology (i) for which compliance or implementation would cause any one of the following listed problems; (ii) for which the problem would not be caused by negligence of any airline carrier, LAWA, or any of their agents or contractors; and (iii) for which the problem cannot be remedied through reasonable modifications to the technology in question or through other reasonable measures by an airline carrier, LAWA, or any of their agents or contractors:

- (a) significant and unreasonable risk of injury or death;
- (b) significant and unreasonable risk of damage to property of LAWA or any airline carrier;

(c) significant and recurring loss of power to aircraft that unreasonably affects an airline carrier's operations;

(d) significant and recurring interference with aircraft loading and unloading operations that unreasonably affects an airline carrier's operations;

(e) significant and recurring delays in aircraft arrivals or departures that unreasonably affects an airline carrier's operations.

The Parties agree that costs related to the categories above may be considered in the determination of feasibility.

“Optional Low NO<sub>x</sub> Standard Vehicle” shall mean a vehicle powered by an engine certified by CARB as meeting the optional low NO<sub>x</sub> emission standard applicable at the time of purchase.

“Organization” shall have the definition set forth in the Cooperation Agreement

“Party” shall mean LAWA and/or the Coalition.

“Passenger Gate” shall mean the On-Site conveyance or structure used to transfer passengers from a terminal area to an aircraft.

“Passenger Loading Areas” shall mean areas of LAX, other than Passenger Gates, which are used for loading and unloading of passengers onto aircraft.

“Places of Worship” shall mean temples, churches, mosques and other locations identified as “churches” in the Master Plan EIR/EIS.

“PM” shall mean particulate matter.

“PM 2.5” shall mean particulate matter that is 2.5 microns or less in diameter.

“PM 10” shall mean particulate matter that is 10 microns or less in diameter.

“Pre-apprenticeship Programs” shall mean job readiness and job training designed to prepare individuals to enter apprenticeships in the construction and building trades for LAX Master Plan Program related construction.

“Project Impact Area” shall mean the area identified in the Master Plan EIR/EIS Figure F4.4.3-3 as minority and/or low-income Census Tracts within the Impact Study Area Boundary.

“Qualified Job Training Organization” shall mean any job training service provider with experience serving individuals eligible for job training under this Agreement and that is eligible to receive workforce development funds from the state of California.

“Referral System” shall mean the system established to provide applicant referrals for the First Source Hiring Program.

“SCAQMD” shall mean the South Coast Air Quality Management District.

“South Coast Ground Service Equipment Memorandum of Understanding” or “SCGSE MOU” shall mean the South Coast Ground Service Equipment Memorandum of Understanding attached as Exhibit E to this Agreement, including all appendices to that document, whether or not the appendices are attached to this Agreement.

“Special Arbitrator” shall have the meaning set forth in Section XVI.D.

“Special Needs Individual” shall mean: (i) an individual who has received public assistance through the Temporary Assistance for Needy Families Program within 24 months of applying for a job or job training through this program; (ii) an individual who is homeless; (iii) an ex-offender; (iv) an individual who is chronically unemployed; or (v) a dislocated airport worker.

“Technically Infeasible” shall mean an operation for which the technology is not available to accomplish by the date specified in this Agreement. This determination shall be based on an assessment that shall include, but is not limited to, inventory utilization, operations, technical trends, and capital and maintenance costs.

“ULSD” shall mean Ultra-Low Sulfur Diesel fuel.

“WIB” shall mean the Workforce Investment Board of the City of Los Angeles.

“Zero Emission Vehicle” or “ZEV” shall mean any vehicle that (i) meets the zero-emission standards set forth in the CARB document entitled, “California Exhaust Emission Standards and Test Procedures for 2005 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes,” as amended on December 19, 2003; (ii) meets the hybrid electric vehicle standards set forth in that CARB document; or (iii) is certified by CARB to meet applicable ZEV standards in Title 13 of the California Code of Regulations.

### **III. RESIDENTIAL NOISE MITIGATION.**

**A. Funding of Aircraft Noise Mitigation Program.** Beginning in fiscal year 2004-05, LAWA shall fund its Aircraft Noise Mitigation Program (“ANMP”) at least at the following levels:

- \$4.275 million per year for the Inglewood component; and
- \$4.275 million per year for the County of Los Angeles component.

These funding levels shall be met by LAWA. LAWA shall use additional revenue, including Airport Improvement Program funds, as appropriate. LAWA expenditure of funds under this Section III.A is contingent on the City of Inglewood and the County of Los Angeles complying with all requirements established in BOAC Resolution Nos. 21481 and 21360, and with FAA regulations.

**B. Acceleration of Noise-Mitigation Programs for City.** Within eight months of the effective date of this Agreement, LAWA will provide a written schedule and work program to the Coalition Representative that is designed to achieve completion of the ANMP soundproofing program for the City by the end of 2008, and will take all reasonable steps to timely implement that schedule and work program.

**C. Acceleration of Noise Mitigation of Places of Worship.** LAWA shall accelerate the program of soundproofing Places of Worship as part of the ANMP in effect as of the effective date of this Agreement. Within eight months of the effective date of this Agreement, LAWA shall conduct a needs assessment for this program, in consultation with the Coalition Representative. LAWA shall provide annual reports on the progress of the program.

**D. End-of-block soundproofing.** Within one year of the completion of the current ANMP for participating jurisdictions, LAWA shall commence an end-of-block soundproofing program, under which, if any residence on a particular city-block falls within the applicable noise contour for that block, then each residence on that block will be eligible for noise mitigation as described in this Section III.D. Offers of soundproofing shall be made to the owner of each residence, whether or not the owner of that residence chose to participate in previous soundproofing programs. Soundproofing under this program shall reduce interior noise at participating residences to an interior CNEL of 45 decibels or less, within habitable rooms.

**E. Suspension of Avigation Easement.**

**1. Present Avigation Easement Requirements.** All homeowners receiving LAWA provided or funded noise insulation measures within the 65 dBA CNEL noise contour presently must execute express, full avigation easements (as set out in Exhibit A).

In return for LAWA's providing these noise insulation benefits, each homeowner presently must sign a full, express avigation easement (as set out in Exhibit A) expressly waiving his or her ability to sue LAWA with respect to the impacts (listed in the avigation easements) that are created by aircraft operations at LAX on the affected residences.

**2. Proposed Modified Easement Requirements.** In order to promote the cooperation between LAWA and the Coalition that is envisioned by this Agreement, and so long as this Agreement remains in effect, LAWA agrees to suspend its requirement that express, full avigation easements (as set out in Exhibit A) be executed by homeowners receiving LAWA provided or funded noise insulation benefits for particular residences located within the 65 dBA CNEL noise contour in the City of Los Angeles, City of Inglewood, and Los Angeles County communities of Lennox and West Athens, and only under the following circumstances:

- (a) Caltrans approves LAWA's compromise position as described in this Agreement during the effective term of this Agreement. This approval is necessary because Caltrans currently requires avigation easements as part of LAWA's ongoing noise variance within its permit from Caltrans to operate LAX;

- (b) In lieu of requiring full, express avigation easements (as set out in Exhibit A), the homeowners will execute the Noise Easement attached as Exhibit B. The homeowner will provide, among other things, a written acknowledgment, accompanying the homeowner's authorization to proceed with the installation that the homeowner is aware of the proposed level of noise reduction that the installation is intended to provide. After the installation, the homeowner will execute an acknowledgement that the improvements have been installed and have attenuated the noise.

LAWA promises to make all reasonable efforts to obtain Caltrans' expedited approval of suspension of the requirement for full, express avigation easements (as set out in Exhibit A) and use of the Noise Easement (as set out in Exhibit B) in its place.

**F. Compatibility with Local Building Codes.** LAWA shall not require property owners participating in the ANMP to satisfy regulations or standards related to property conditions where these regulations or standards are more stringent than those actually enforced by the local government jurisdiction possessing code enforcement authority over the property in question.

**G. Limitations on Nighttime Departures.** LAWA and the Coalition agree that restrictions on departures between the hours of midnight and 6:30 a.m. over the communities to the east of LAX would be desirable, when LAX is operating under normal weather conditions (when LAX is either in Over-Ocean Operations or remains in Westerly Operations and excluding times when LAX operates in Easterly Operations). This is known as the "LAX Proposed Restriction."

**1. Part 161 Study.** By April of 2005, LAWA shall have completed a Contract Award Process for a study on the feasibility of implementing the LAX Proposed Restriction (the "Part 161 Study"). Within 90 days of the contract award, the contract will have commenced. LAWA shall require that the Part 161 Study meet the relevant requirements of 14 C.F.R. Part 161, and that the entity performing the study provide annual reports to LAWA on study progress and findings.

**a. Reports on Study Findings.** During the period in which the contractor is conducting the Part 161 Study, LAWA shall distribute to the Coalition Representative annual reports on preliminary study findings. Within 45 days of completion of the Part 161 Study, LAWA shall distribute to the Coalition Representative a report on study results and any actions to be taken regarding an FAA application under 14 C.F.R. Part 161.

**b. Application to FAA.** Within 90 days of completion of the Part 161 Study, if the study finds that the LAX Proposed Restriction complies with statutory conditions of the Airport Noise and Capacity Act of 1990 and the requirements of 14 C.F.R. Part 161, LAWA shall submit to the FAA, and to any other necessary regulatory authority, a complete application requesting permission to implement the LAX Proposed Restriction. This application shall conform to the procedures and standards set forth in 14 C.F.R. Part 161.

**c. Implementation of LAX Proposed Restriction.** If the FAA or any other regulatory authority approves in full or in part the application described in Section III.G.1, LAWA shall implement the LAX Proposed Restriction to the extent permitted in the approval.

**2. Record of Eastbound Departures.** LAWA shall maintain a record of all nighttime eastbound departures during Over-Ocean Operations and Westerly Operations. This record shall be made available to the public on the LAWA website and shall be updated monthly.

**3. Community Response Program.** LAWA shall operate a community response program through which the public may report nighttime flights in the areas east of LAX. LAWA shall maintain a record of all individual reports, and shall prepare annual reports documenting individual reports, including records of airline, flight, date, and time of each reported flight, where possible. All records of reports, excluding the reporting individual's name and address, shall be maintained as public records and posted on the LAWA website.

#### **IV. JOB TRAINING.**

**A. Job Training Program.** Beginning in fiscal year 2005-06, LAWA shall provide \$3 million per year for five years, not to exceed \$15 million over five years, to fund job training for Airport Jobs and Aviation-Related Jobs, and for Pre-apprenticeship Programs. Any funds unspent in a particular year shall be rolled over to the subsequent year. At the conclusion of the five-year period, any unused funds shall revert to the job training funds described in Section XV.

**1. FAA Modification.** If at any time the FAA expands the job categories for which it will permit LAWA to expend job training funds under this Section IV.A, LAWA shall expend those funds for all newly available job categories. At all times, if the FAA prohibits particular job training expenditures required under this Section IV.A, then LAWA shall provide the full funding amount described in this section for job training expenditures that are required by this section and are not prohibited.

**2. Seeking Alternative Funding Sources in Case of FAA Prohibition.** Beginning in fiscal year 2004-05, LAWA shall consult with CDD and the WIBs to identify and secure funds or redirect existing resources for any job training described in this Section IV.A for which the FAA has prohibited expenditures, with an overall goal of securing funding and resources from alternative sources for five years. Potential resource providers for this activity shall include, but not be limited to, local and neighboring WIBs, the State of California, the County of Los Angeles, the Los Angeles Community College District, and the Los Angeles Unified School District. Funds secured by LAWA under this Section IV.A.2 shall be administered as described in Section IV.B. Funds secured from alternative sources under this Section IV.A.2 shall not reduce the funding commitment made by LAWA elsewhere in this Section IV.

#### **B. Administration.**

**1. Coordination among LAWA, CDD, and WIB.** LAWA shall make best efforts to negotiate a memorandum of understanding (“MOU”) between LAWA, CDD and the WIB, under which job training funds provided under this Section IV shall be administered by CDD and WIB. LAWA shall consult with the Coalition Representative in negotiating the MOU with CDD and a WIB. The administrative and fiscal oversight shall entail CDD and the WIB receiving LAWA funds described in Section IV.A, selecting Qualified Job Training Organizations, and providing the funds to Qualified Job Training Organizations for performance of job training as described in this Section IV.

If LAWA does not enter into such an MOU with CDD and a WIB within six months of the effective date of this Agreement, LAWA shall initiate a Contract Award Process for a contractor to perform the administration described in this Section IV.B.

Regardless of what entity performs the administration, LAWA shall ensure that job training funded under Section IV.A commences by July 1, 2005, if CDD participates or by January 1, 2006, if CDD does not participate.

**2. Provisions of MOU.** Under the MOU described in Section IV.B.1, training paid for with funds provided under this Section IV.A shall be performed by Qualified Job Training Organizations that are selected in accordance with City and WIB applicable procurement policies. LAWA recognizes that the South Bay Workforce Investment Board is a current primary service provider to eligible residents of Inglewood, Lennox and West Athens. Under this MOU, CDD shall contract with the South Bay Workforce Investment Board, reserving all administrative and contractual remedies to enforce performance; CDD shall consult with LAWA and the Coalition Representative at regular intervals regarding the progress of the job training provided under this Section IV.A; and CDD shall provide an opportunity for consultation with the Coalition Representative on program design issues during the development of the RFP. At the conclusion of the term of the MOU, any unused funds shall revert to the job training funds described in Section XV.

**3. Limitation on Administrative Costs.** At least 90 percent of the funds provided by LAWA under this Section IV shall be provided by CDD and/or the WIB, or other contractor administering job training funds, to Qualified Job Training Organizations under contract awards, rather than retained as compensation for services provided under the MOU or contract.

**C. Work Experience Programs.** LAWA shall provide work experience jobs and pay applicable wages. The funding of these Work Experience Programs is separate from that described in Section IV.A and is independent of the job training program to be operated by CDD and WIB. LAWA shall, to the extent permissible by law, specifically target opportunities for placement in these work experience programs to Project Impact Area residents. Funding provided under this Section IV.C shall not qualify as an expenditure under any other provision of Section IV.

**D. Eligibility.** Enrollment opportunities in all job-training programs funded primarily by funds distributed under this Section IV shall be predominantly made available to:

- Low-Income Individuals living in the Project Impact Area for at least one year;
- Special Needs Individuals;
- Low-Income Individuals residing in the City;
- Individuals currently working in Airport Jobs or Aviation-Related Jobs and eligible for incumbent worker training.

**E. Content of Job Training.** Job training programs funded by funds distributed under this Section IV shall include job readiness programs, skills development, career ladder programs, incumbent worker training, and other, similar programs as approved by LAWA and the Coalition Representative. Recipients of these funds shall be required to consult with LAWA, the Coalition Representative, CDD, WIB and the designated WorkSource Center in design of training programs.

## **V. FIRST SOURCE HIRING PROGRAM.**

**A. First Source Hiring Program for Airport Jobs.** The First Source Hiring Program shall provide early access to targeted applicants for available Airport Jobs, and employers will receive prompt, cost-free referrals of qualified and trained applicants. Except where the City's Worker Retention Policy requires retention of particular workers, LAWA shall require participation in the First Source Hiring Program with regard to all Airport Jobs by any:

- new Airport Contractor, Airport Lessee, and/or Airport Licensee resulting from the approved LAX Master Plan Program;
- Airport Contractor that enters into or receives a new, amended, or renewed Airport Contract, or receives a voluntary extension of an existing Airport Contract;
- Airport Lessee that enters into or receives a new, amended, or renewed lease of any property owned by LAWA, or receives a voluntary extension of an existing lease; and
- Airport Licensee that agrees, receives, or is subject to a new, amended, extended, or revised licensing or permitting agreement or set of requirements.

AS of July 1, 2005, LAWA shall ensure that the First Source Hiring Program, attached as Exhibit C, is a material term of all Airport Contracts, lease agreements, and licensing or permitting agreements or sets of requirements that are new, extended, amended, renewed, or revised. Under these Airport Contracts, agreements, or requirements, employer participation in the First Source Hiring Program shall commence on the effective date of the Airport Contract, agreement, or requirement in question, or on July 1, 2005, whichever is later. LAWA shall actively monitor compliance with the First Source Hiring Program by all covered employers; shall enforce the liquidated damages provision of Exhibit C with regard to any instances of noncompliance; and shall take any other enforcement action under Airport Contracts, lease agreements, and licensing and permitting requirements necessary to prevent noncompliance.

Nothing in this Agreement shall require employers that are subject to collective bargaining agreements that conflict with the terms of the First Source Hiring Program, are construction contractors, or that operate Transportation Charter Party limousines, non-tenant shuttles, or taxis, to comply with the First Source Hiring Program. Applicants hired under the First Source Hiring Program shall have to meet any applicable LAX security-badging requirements. The Coalition Representative shall participate in monitoring participation in the First Source Hiring Program, as described in Exhibit C.

**B. Targeted Applicants.** Referrals under the First Source Hiring Program shall, to the extent permissible by law, be made in the order of priority set forth below.

- **First Priority:** Low-Income Individuals living in the Project Impact Area for at least one year and Special Needs Individuals;
- **Second Priority:** Low-Income Individuals residing in the City.

**C. Referral System.** The Referral System, to be designed and implemented through a joint effort of LAWA and the Coalition, and CDD and WIB, if possible, will work with employers, community-based job training organizations, and other community-based organizations to receive notices of job openings, to provide referrals under the First Source Hiring Program, and to assist in monitoring compliance with the First Source Hiring Program. LAWA and the Coalition shall ensure that the Referral System operates as described in this Agreement.

**1. LAWA Expenditure and Provision of Office Space.** LAWA shall annually provide funds sufficient for all costs associated with two full-time employees, and shall provide office space On-Site and any necessary equipment for operation of the Referral System.

**2. CDD/WIB Operation of Referral System.** In consultation with the Coalition, LAWA shall negotiate a memorandum of understanding under which CDD and the WIBs shall operate the Referral System. This memorandum of understanding shall require that in operation of the Referral System, CDD and/or WIB practice cultural and language sensitivity to the relevant communities, and perform outreach and build relationships to develop a network of community-based organizations that can access a large and diverse pool of job applicants. If LAWA does not enter into a memorandum of understanding with CDD and/or WIB by July 1, 2005, LAWA shall complete a Contract Award Process for selection of an entity to operate the Referral System.

**3. Contract Award Process for Operation of Referral System.** In the event that LAWA initiates a Contract Award Process for selection of an entity to operate the Referral System, then the RFP shall require that respondents demonstrate cultural and language sensitivity to the relevant communities, and demonstrate the ability to do outreach and build relationships to develop a network of community-based organizations that can access a large and diverse pool of job applicants, and perform other functions as described in this Agreement.

**4. Use of Available Systems.** Any entity selected to operate the Referral System shall utilize established job opportunity reporting and tracking systems currently available through the City’s Workforce Development System, to the extent that these systems are compatible with the functions of the Referral System as described in this Agreement.

**D. Referral System Participants.** LAWA shall make best efforts to negotiate a memorandum of understanding with CDD, under which LAWA shall utilize CDD and WIB services to facilitate the First Source Hiring process. LAWA, CDD and the WIB shall have the following Referral System roles, in addition to responsibilities described elsewhere described in this Agreement:

**1. LAWA - Launch of Employer Outreach.** LAWA, through its Small Business and Job Opportunities Unit, shall conduct outreach to Airport Contractors, Airport Lessees, and Airport Licensees (“Airport Employers”) to establish awareness of the First Source Hiring Program, and to secure voluntary participation and/or required commitments for overall Airport Employer participation, and familiarize Airport Employers with CDD and WIB services provided through the Referral System.

**2. CDD/WIB - Development of Job Opportunities and Applicant Pool.** CDD and the WIB will develop and implement specific systems required to effectively match qualified priority job applicants with available Airport Jobs. CDD will conduct Airport Employer job development functions, coordinate the development of a qualified applicant pool for Airport Job opportunities and refer job candidates to Airport Employers. CDD shall also develop and access any systems necessary to complete Program performance tracking and reporting.

**E. FAA Prohibition.**

**1. FAA Prohibition of Application to Certain Jobs.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits application of the First Source Hiring Program to certain Airport Jobs, or threatens to withhold federal funding if LAWA applies the First Source Hiring Program to certain Airport Jobs, then LAWA shall nonetheless implement the First Source Hiring Program with regard to all other Airport Jobs.

**2. Complete FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority completely prohibits LAWA from taking actions required by this Section V, or threatens to withhold federal funding if LAWA takes actions required by this Section V, then LAWA shall contribute \$200,000 annually to the job training funds described in Section XV until 2015.

**F. Construction.** LAWA shall work collaboratively with the Coalition Representative to implement the Los Angeles International Airport Project Labor Agreement in a manner that, to the greatest extent possible, enhances employment opportunities for underemployed individuals residing in the Project Impact Area and the City, especially minorities and women.

## **VI. LIVING WAGE, WORKER RETENTION, AND CONTRACTOR RESPONSIBILITY.**

LAWA shall apply to all Airport Contractors, Airport Lessees, and Airport Licensees the City's Living Wage Ordinance, as set forth in Los Angeles Administrative Code Section 10.37; the City's Worker Retention Policy, as set forth in Los Angeles Administrative Code Section 10.36; and the Contractor Responsibility Program set forth in BOAC Resolution No. 21601, in accordance with City policy.

## **VII. AIR QUALITY STUDY.**

**A. Air Quality Study.** LAWA shall fund a study by an Independent Expert of toxic air contaminants and criteria air pollutant emissions from jet engine exhaust and other emission sources ("Air Quality Study"). In addition to other contaminant and pollutant emissions, the Air Quality Study shall measure jet engine exhaust emissions and provide chemical composition data from a representative sample of engine types and ages under a variety of conditions that reflect actual operations, and shall include this data and all other relevant study results as part of the final study provided to LAWA.

**B. Air Quality Study Draft Protocols.** The Air Quality Study draft protocols shall be based upon the "Air Quality and Source Apportionment Study" described in LAWA, *Air Quality and Source Apportionment Study of the Area Surrounding Los Angeles International Airport, Technical Workplan*, November 17, 2000, and all associated documents, as listed in part in Exhibit D. LAWA, in consultation with the Coalition Representative, shall review draft protocols set forth in the above document, and shall update and modify these draft protocols as appropriate for use in the Air Quality Study. Within 150 days of the effective date of this Agreement, LAWA shall provide to the Coalition Representative all documents relevant to the Air Quality Study draft protocols and shall meet with the Coalition Representative to facilitate his/her participation in this process. LAWA shall incorporate into the draft protocols changes proposed by the U.S. Environmental Protection Agency peer review group, as described in EC/R Incorporated, *Report on the Peer Review Workshop on the Los Angeles World Airports, Air Quality and Source Apportionment Study of the Area Surrounding Los Angeles International Airport*, August 8, 2003. Within 240 days of the effective date of this Agreement, LAWA shall request, pursuant to the procedures in Section II.D of the Cooperation Agreement, an FAA Approval to proceed with the Air Quality Study. The resulting draft protocols shall be included in the RFP for the Air Quality Study.

**C. Contract Award Process.** Within 270 days of the date LAWA receives an FAA Approval to proceed with the Air Quality Study, LAWA shall complete a Contract Award Process for selection of a contractor to conduct the Air Quality Study. Within 90 days of the contract award, the contractor shall commence the Air Quality Study.

**D. Review of Protocols and Interim Reporting.** Prior to commencing the Air Quality Study, the contractor selected to conduct the Air Quality Study shall submit proposed

protocols to LAWA. Within 30 days of receipt of the proposed protocols, LAWA shall provide them to the Coalition Representative. LAWA shall report semiannually to the Coalition Representative on the progress of the Air Quality Study and shall provide to the Coalition Representative any written reports made by the contractor within 15 days of receipt.

**E. Reports.** LAWA shall require the selected contractor to provide written annual progress reports to LAWA. LAWA shall promptly forward these reports to the Coalition Representative. Within 15 days of completion of the Air Quality Study, LAWA shall provide the Air Quality Study to the Coalition Representative, and shall make it available to the public.

**F. FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits LAWA from taking actions required by this Section VII, or threatens to withhold federal funding if LAWA takes actions required by this Section VII, then LAWA shall set aside \$2 million to the air quality fund described in Section XV.

## **VIII. HEALTH STUDY**

**A. Health Study.** LAWA shall fund a study to measure and investigate upper respiratory system and hearing loss impacts of LAX operations due to the LAX Master Plan Program. LAWA, in consultation with the Coalition Representative, shall develop a scope of work and objectives for the Health Study. Within 180 days of the effective date of this Agreement, LAWA shall initiate consultation with the Coalition Representative. The resulting scope of work and objectives for the Health Study shall be incorporated into the RFP for selection of a contractor to perform the Health Study. Within one year of the effective date of this Agreement, LAWA shall request, pursuant to the procedures in Section II.D of the Cooperation Agreement, an FAA Approval to proceed with the Health Study.

**B. Contract Award Process.** Within 270 days of the date LAWA receives an FAA Approval to proceed with the Health Study, LAWA shall complete a Contract Award Process for selection of a contractor to conduct the Health Study. Within 90 days of the contract award, the contractor shall commence the Health Study.

**C. Review of Protocols and Interim Reporting.** LAWA shall require that the contractor selected to conduct the Health Study submit proposed protocols to LAWA. Within 30 days of receipt of the proposed protocols, LAWA shall provide them to the Coalition Representative. LAWA shall report semiannually to the Coalition Representative on the progress of the Health Study and shall provide any written reports made by the contractor to the Coalition Representative within 15 days of receipt by LAWA.

**D. Reports.** LAWA shall require the selected contractor to provide written annual progress reports to LAWA. LAWA shall promptly forward these reports to the Coalition Representative. Within 15 days of completion of the Health Study, LAWA shall provide the Health Study to the Coalition Representative, and shall make it available to the public.

**E. FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits LAWA from taking actions required by this Section VIII, or threatens to withhold federal funding if LAWA takes actions required by this Section VIII, then LAWA shall set aside \$500,000 to the air quality fund described in Section XV.

**IX. COMMUNITY-BASED RESEARCH STUDIES AS PART OF LAWA’S FUTURE LAX MASTER PLAN PROGRAM PROJECT-LEVEL ANALYSIS.**

**A. Inclusion in Project-Level Environmental Analysis.** LAWA acknowledges that, pursuant to CEQA, it will perform additional environmental review on the various LAX Master Plan Program project components as they are processed for future approval. In undertaking this additional environmental review, LAWA shall require the general contractor preparing the environmental documents for these future project-level analysis to subcontract with an Independent Expert to coordinate community-based research studies as described in Section IX.B (the “Community-Based Studies”), that are designed to become a part of the environmental analysis. LAWA shall expend no less than \$300,000 on the Community-Based Studies. As future project-level environmental documents are prepared for LAX Master Plan Program projects, LAWA is not required to utilize the Community-Based Studies as a part of each project-level environmental review, and shall have discretion to determine whether a particular project-level analysis would be appropriate for including the Community-Based Studies. The Independent Expert coordinating any Community-Based Study shall write a final report setting forth findings and recommendations. The summary of the report shall be included within the pertinent environmental documents, and the full report shall be included as an appendix to the documents.

**B. Scope of Community-Based Studies.** Community-Based Studies shall study potential environmental impacts of the LAX Master Plan Program project components on individuals living or working east of Sepulveda Boulevard within the Project Impact Area. For all Community-Based Studies, individuals living or working within the project study area shall participate in development of study design and in study implementation.

**C. Planning process.** LAWA and the general contractor preparing the environmental documents for the future project-level analysis shall consult with the Coalition Representative regarding (1) the selection of topics for the Community-Based Studies, (2) the individuals selected to perform Community-Based Studies, and (3) the administration of Community-Based Studies. The Independent Expert chosen to coordinate any Community-Based Study shall consult with the Coalition Representative and the general contractor regarding the selection of topics for the Community-Based Studies and the administration and implementation of the Community-Based Studies.

**D. Final Report.** Upon completion of any Community-Based Study, the study shall be provided to the Coalition Representative, to LAWA, and to the public.

**E. Recommendations for Further Action.** Any recommendations for further action or project-specific mitigation proposed by one or more Community-Based Studies shall be reviewed by the Coalition Representative, which may then prepare a proposal that LAWA staff shall forward to the BOAC for consideration. At a public meeting, after considering the Coalition Representative recommendation, any staff reports, the Community-Based Study or Studies in question, and other public comment, the BOAC shall approve the proposal, deny the proposal, or request further detail from the Coalition Representative and/or LAWA staff. If the BOAC denies the proposal, it shall adopt specific written findings regarding the reason for the denial.

**F. FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits LAWA from taking actions required by this Section IX, or threatens to withhold federal funding if LAWA takes actions required by this Section IX, then LAWA shall set aside \$300,000 to the air quality fund described in Section XV.

## **X. AIR QUALITY**

### **A. Electrification of Passenger Gates.**

**1. Passenger Gate Electrification Schedule.** LAWA shall ensure that all Passenger Gates are equipped and able to provide electricity sufficient for aircraft needs under the following schedule:

**a.** All Passenger Gates for which new construction (excluding maintenance) is completed after the effective date of this Agreement shall be equipped and able to provide electricity to parked aircraft from date of initial operation and at all times thereafter.

**b.** Three years from the effective date this Agreement, and at all times thereafter, at least fifty percent of Passenger Gates at LAX shall be equipped and able to provide electricity to parked aircraft.

**c.** Five years from the effective date of this Agreement, and at all times thereafter, one hundred percent of the Passenger Gates at LAX shall be equipped and able to provide electricity to parked aircraft.

**2. Aircraft Use of Gate-Provided Electricity.** LAWA shall ensure that gate-provided electricity is provided to all aircraft parked at Equipped Passenger Gates and, except for the exemptions identified in this section, that all aircraft use the gate-provided electricity in lieu of engine operation of aircraft or mobile/ground auxiliary power units. Aircraft shall not be required to use electricity provided by LAWA at an Equipped Passenger Gate if that requirement is determined to be Operationally Infeasible, either by mutual agreement of the Parties or by the Special Arbitrator. Airline carriers may request an exemption from requirements imposed under this Section X.A for other reasons, and shall obtain an exemption when the Parties mutually agree.

**3. Assessment of Electrification of Passenger Loading Areas.** LAWA shall conduct an assessment of operations at Passenger Loading Areas for the purpose of determining whether electrification of Passenger Loading Areas is Operationally Infeasible. The assessment shall include, but not be limited to, inventory utilization, operations, technological trends, and capital and maintenance costs. LAWA shall complete this assessment within one year of the effective date of this Agreement. Findings of the assessment shall be provided to the Coalition Representative within 30 days of completion. If, following review of assessment findings, the Parties determine by mutual agreement, or the Special Arbitrator determines, that providing electricity sufficient for aircraft needs to Passenger Loading Areas is not Operationally Infeasible and/or Technically Infeasible, then LAWA shall provide electricity to these areas under a schedule to be negotiated between LAWA and the Coalition Representative but requiring 100 percent conversion by no later than 12 years from the effective date of this Agreement, and shall require parked aircraft to use that electricity.

**4. Commuter Flight Loading and Unloading.** By the conclusion of the LAX Master Plan Program, loading and unloading of passengers of commercial aircraft shall be performed only through Passenger Gates.

**B. Electrification of Cargo Operations Areas.**

**1. Cargo Operations Areas Electrification Schedule.** LAWA shall ensure that, unless determined under procedures described below to be Operationally Infeasible and/or Technically Infeasible, all Cargo Operations Areas are equipped and able to provide electricity sufficient for aircraft needs as follows:

**a.** All Cargo Operations Areas for which new construction, not maintenance, is completed after the effective date of this Agreement shall be equipped and able to provide electricity to parked aircraft from date of initial operation of the Cargo Operations Area at LAX and at all times thereafter.

**b.** Three years from the effective date of this Agreement and at all times thereafter, at least thirty percent of the Cargo Operations Areas at LAX shall be equipped and able to provide electricity to parked aircraft.

**c.** Five years from the effective date of this Agreement and at all times thereafter, one hundred percent of Cargo Operations Areas at LAX shall be equipped and able to provide electricity to parked aircraft.

**2. Aircraft in Cargo Operations Areas Use of LAX-Provided Electricity if Available.** LAWA shall ensure that electricity sufficient for aircraft needs is provided to all aircraft parked at Equipped Cargo Operations Areas and that all these aircraft use LAX-provided electricity as power in lieu of engine operation of aircraft or ground/mobile auxiliary power units. Aircraft shall not be required to use electricity provided by LAWA at an Equipped Cargo Operations Area if that requirement is determined to be Operationally Infeasible and/or Technically Infeasible, either by mutual agreement of the Parties or by the Special Arbitrator. Airline carriers may request an exemption from requirements imposed under this Section X.B for other reasons, and shall obtain an exemption when the Parties mutually agree.

**3. Assessment of Electrification of Cargo Operation Areas and Feasibility Evaluation.** LAWA shall conduct an assessment of Cargo Operations Areas for the purpose of evaluating whether electrification of a particular Cargo Operations Area is Operationally Infeasible and/or Technically Infeasible. The assessment shall include, but not be limited to, inventory utilization, operations, technological trends, and capital and maintenance costs. LAWA shall complete the assessment within one year of the effective date of this Agreement. Findings of the assessment shall be provided to the Coalition Representative within 30 days of completion. If, following review of assessment findings, the Parties determine by mutual agreement, or the Special Arbitrator determines, that providing electricity sufficient for aircraft needs to a particular Cargo Operations Area is Operationally Infeasible and/or Technically Infeasible, then LAWA shall not be obligated to provide electricity to that particular Cargo Operations Area.

**C. Electrification of LAX Hangars.** LAWA shall conduct an assessment of operations at LAX Hangars for the purpose of determining whether electrification of LAX Hangars to provide electricity sufficient for aircraft needs at LAX Hangars is Operationally Infeasible and/or Technically Infeasible. The assessment shall include, but not be limited to, inventory utilization, operations, technological trends, and capital and maintenance costs. LAWA shall complete the assessment within one year of the effective date of this Agreement. Findings of the assessment shall be provided to the Coalition Representative within 30 days of completion. If, following review of assessment findings, the Parties determine by mutual agreement, or the Special Arbitrator determines, that providing electricity to parked aircraft at a particular LAX Hangar is not Operationally Infeasible and/or Technically Infeasible, then LAWA shall provide electricity under a schedule to be negotiated between LAWA and the Coalition Representative.

**D. FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits LAWA from taking actions required by Subsections A through C of this Section X, or threatens to withhold federal funding if LAWA takes actions required by Subsections A through C of this Section X, then LAWA shall set aside \$1.7 million to the air quality fund described in Section XV.

**E. Reporting.** LAWA shall report in writing to the Coalition Representative on the progress of electrification of Passenger Gates, Cargo Operations Areas, and LAX Hangars semiannually. Reports shall include, but not be limited to, the number and types of facilities and areas electrified, operational guidelines issued, a summary of exemptions granted, reports of violations of usage requirements, and actions taken by LAWA to enforce usage requirements.

**F. Construction Equipment.**

**1. Best Available Emissions Control Devices Required.** LAWA shall require that all diesel equipment used for construction related to the LAX Master Plan Program be outfitted with the best available emission control devices primarily to reduce diesel emissions

of PM, including fine PM, and secondarily, to reduce emissions of NO<sub>x</sub>. This requirement shall apply to diesel-powered off-road equipment (such as construction machinery), on-road equipment (such as trucks) and stationary diesel engines (such as generators). The emission control devices utilized for the equipment at the LAX Master Plan Program construction shall be: (i) verified or certified for use by CARB for on-road or off-road vehicles or engines; or (ii) verified for use by EPA for on-road or off-road vehicles or engines. Devices certified or verified for mobile engines may be effective for stationary engines and that technology from EPA/CARB on-road verification lists may be used in the off-road context.

**2. Demonstration Projects.** Notwithstanding the verification or certification requirement set forth in Section X.F.1, LAWA may allow diesel equipment used for construction related to the LAX Master Plan Program to be outfitted with a new emission control device designated by LAWA as “Demonstration Project” at an LAX Master Plan Program construction site, even if the device has not yet been certified or verified by CARB or EPA for use for on-road or off-road vehicles or engines. LAWA, in consultation with the Coalition Representative and LAWA contractors, shall establish processes to determine if a Demonstration Project using a new emission control technology is warranted, and how the project will be implemented. These devices shall, at minimum, meet all the pollution reduction requirements specified in Section X.F.3.

**3. Emission Reduction Standards.** Any emission control device used pursuant to Section X.F.1 shall achieve emission reduction no less than what could be achieved by a Level 2 diesel emission control strategy for a similar-sized engine as defined by CARB regulations. Under no circumstances shall an emission reduction device or strategy used on the LAX Master Plan Program construction site increase the emission of any pollutant above that which is the standard for that engine.

**4. Exemptions.** Sections X.F.1-3 shall not apply to (i) a piece of construction-related diesel equipment for which the operator provides a written finding, based upon appropriate market research and approved by LAWA, that the best available emission control device for reducing the emission of pollutants as required by Sections X.F.1-3 is unavailable for that equipment, in which case the contractor shall use whatever technology for reducing the emission of pollutants, if any, is available and appropriate for that vehicle; or (ii) a piece of construction-related diesel equipment that is used on LAX Master Plan Program construction sites for fewer than 20 calendar days per calendar year. Any and all exemptions under this Section X.F.4 approved by LAWA shall be reported in writing to the Coalition Representative as they occur.

**5. ULSD and Other Fuels.**

**a. ULSD and Other Fuel Requirements.** All construction equipment used for construction related to the LAX Master Plan Program shall use only Ultra-Low Sulfur Diesel fuel (15 ppm or lower), so long as there are adequate supplies of ULSD in the Southern California area. If adequate supplies of ULSD are not available in the Southern California area, then other fuels may be used, provided that the other fuels do not result in an greater emissions of fine PM or nitrogen oxides than that which would be produced by use of

ULSD at 15 ppm or lower. Cost of ULSD shall not be a consideration in determining “adequate supplies.”

**b. Initial Period.** Prior to September 1, 2006, if ULSD is unavailable, then all construction-related diesel equipment may utilize emission control devices that do not require ULSD for only the same period of time that ULSD is unavailable.

**6. Operational Requirements.** Operational requirements shall be issued and enforced by LAWA regarding limitations on idling and engine maintenance.

**7. Enforcement by LAWA.** LAWA shall ensure that the requirements of Section X.F are material terms of all Airport Contracts, lease agreements for portions of LAWA real property, and licensing or permitting agreements or requirements, such that compliance with Section X.F is required of all Airport Contractors, Airport Lessees, and Airport Licensees. New, amended, renewed, or extended Airport Contracts, lease agreements, and any relevant LAX licensing or permitting requirements shall include language requiring compliance with Section X.F by way of liquidated damages of \$1,000 per day for each violation to be assessed against any entity responsible for the violation. LAWA shall enforce the findings and determinations of the Independent Third Party Monitor provided for in Section X.F.8.

**8. Independent Third Party Monitor.** Compliance with requirements of this Section X.F shall be monitored by an Independent Third Party Monitor. The Independent Third Party Monitor shall have access to any LAWA property necessary to monitor compliance with this Section X.F. The Independent Third Party Monitor shall report to LAWA and the Coalition Representative semiannually. Reports shall include, but not be limited to, devices installed on LAX Master Plan Program construction-related diesel equipment, summary of exemptions granted, and any reports of violations. Any member of the public may register a complaint with an Independent Third Party Monitor, alleging any entity’s noncompliance with requirements of this Agreement, and the Independent Third Party Monitor shall investigate all complaints and determine where there has been a violation. Records or summaries of complaints to the Independent Third Party Monitor, and actions and determinations of it, shall be made available to the public upon request. LAWA shall require entities subject to requirements of this Agreement to provide records to the Independent Third Party Monitor sufficient for the Independent Third Party Monitor to determine compliance with requirements of this Agreement.

LAWA shall not select as an Independent Third Party Monitor any person or entity that has a contractual relationship with any Airport Contractor subject to the requirements of Section X.F.

**9. Reassessments of Emission Control Devices.**

**a. Annual Reassessments.** LAWA shall designate the best available emission control devices annually or more frequently, in consultation with the Coalition Representative and the Independent Third Party Monitor. LAWA, in consultation with the Coalition Representative, shall establish processes to revise these designations and incorporate the requirement to use the emission control devices newly designated as best available into construction bid documents to take into account advances in emission control devices prior to

bidding of new construction phases of the LAX Master Plan Program. The process of emission control technology review shall include any new relevant requirements or regulations promulgated by CARB or EPA. Results from the reassessments shall not be applied retroactively.

**b. Application of New Requirements.** Any new designations of emission control devices as best available shall apply only to projects that start after the devices are verified or certified for use by CARB or EPA, or approved for use as part of a Demonstration Project as described in this Section X.F.

**c. Cost-Effectiveness Threshold.** To determine best available emission control devices among new technology that may become available in the future, the new emission control devices utilized for the LAX Master Plan Program construction shall meet a cost-effectiveness threshold of \$13,600 per ton of NO<sub>x</sub> reduced. For the reduction of PM 2.5 and PM 10, any diesel particulate filter, diesel oxidation catalyst, or other technology on CARB's certified or verified lists or on EPA's verified list shall be deemed to be cost-effective. If there is a technology for the reduction of PM 2.5 and PM 10 that is not on the lists whose cost-effectiveness is called into question by an Airport Contractor, then LAWA shall work, in consultation with the Coalition Representative, to determine whether the technology is cost-effective.

#### **G. Ground Service Equipment Diesel Emissions Reduction Incentive Program.**

**1. GSE Incentive Program.** LAWA shall create a program providing incentives for the reduction of GSE diesel emissions ("GSE Incentive Program"). LAWA shall expend at least \$500,000 on the GSE Incentive Program. Participation by GSE operators in the GSE Incentive Program shall be voluntary. Funding for the program shall commence in fiscal year 2005-06.

**2. Use of Funds.** LAWA shall ensure that funds awarded through the GSE Incentive Program are used only for the purchase of GSE that qualifies as ZEV, the purchase of newer, less-polluting diesel engines to replace older diesel engines, retrofits of diesel engines, and the purchase of fuel cell engines. LAWA may revise this list of permissible uses of funds based on the results of the 2006 demonstration study and technology review referenced in Section V.A. of the SCGSE MOU, so long as at all times all permitted technologies meet the requirements set forth in Section X.G.3.

**3. Incentive Program Requirements.** LAWA shall require that awards under the GSE Incentive Program maximize emission reductions for diesel particulate matter, non-methane hydrocarbons, volatile organic gases, and NO<sub>x</sub>. LAWA shall ensure that any GSE or GSE engine that has been replaced with funds provided under the GSE Incentive Program is destroyed, preventing any subsequent use. LAWA shall require that each GSE or GSE engine purchased with funds awarded through the GSE Incentive Program remain On-Site until either (i) the new GSE or GSE engine is replaced by a less-polluting GSE or a less-polluting GSE engine; or (ii) the termination of this Agreement, whichever comes first.

**4. Eligibility.** Only GSE Operators shall be eligible for awards under the GSE Incentive Program. LAWA shall not be eligible for awards under the GSE Incentive Program.

**5. FAA Prohibition.** If an FAA Determination, as defined in and pursuant to the procedures set out in the Cooperation Agreement, or any other regulatory authority prohibits LAWA from taking actions required by this Section X.G, or threatens to withhold federal funding if LAWA takes actions required by this Section X.G, then LAWA shall set aside \$500,000 to the air quality fund described in Section XV.

## **H. Ground Service Equipment Inventory.**

**1. Scope of GSE Inventory.** LAWA shall prepare a study (“GSE Inventory”) detailing all GSE operated On-Site. The GSE Inventory shall include, but not be limited to, an inventory of the number, types, sizes, model year, usage history, and identity of operator for all GSE operated On-Site at the time of the GSE Inventory. The inventory shall be completed within 240 days of the effective date of this Agreement. Within 30 days of the completion of the GSE Inventory, LAWA shall provide the GSE Inventory to the Coalition Representative.

**2. Determination of 1997 GSE Fleet for Nonparticipating GSE Operators.** The GSE Inventory shall include a determination of the number and types of On-Site GSE that were operated On-Site in 1997 by each Nonparticipating GSE Operator. For each Nonparticipating GSE Operator that did not operate GSE On-Site in 1997, the GSE Inventory shall include a determination of the number and types of GSE that has been operated On-Site by that Nonparticipating GSE Operator in all subsequent years. If LAWA determines that it is infeasible to determine the 1997 inventory of a particular Nonparticipating GSE Operator, LAWA and the Coalition Representative shall confer to reach a mutually acceptable modification of requirements under Sections X.H and X.I of this Agreement for that Nonparticipating GSE Operator.

**I. Requirements for Emissions Reductions by Nonparticipating GSE Operators.** In order to achieve emission reductions from GSE operated at LAX by Nonparticipating GSE Operators, LAWA shall issue requirements leading to the use of less-polluting GSE by Nonparticipating GSE Operators, as described in this Section X.I. New, amended, renewed, or extended Airport Contracts, lease agreements, and any relevant LAX licensing or permitting requirements for Nonparticipating GSE Operators shall include language requiring compliance with requirements of this Section X.I and allowing assessment of liquidated damages as described in this Section X.I against any entity responsible for a violation.

**1. Coverage.** LAWA shall ensure that all Nonparticipating GSE Operators comply with requirements established pursuant to this Section X.I. Any GSE Operator bound as a “Participating Airline” under the SCGSE MOU shall be exempt from requirements established pursuant to this Section X.I.

**2. Emission Rate Requirement for Nonparticipating GSE Operators.**

**a. Emission Rate Requirement for Nonparticipating GSE**

**Operators That Operated GSE On-Site in 1997.** LAWA shall ensure that Nonparticipating GSE Operators that operated GSE On-Site in 1997, have, in the aggregate, an average emission rate no greater than 2.65 grams per brake-horsepower hour for hydrocarbon emissions plus NO<sub>x</sub>, by December 31, 2010, for the 1997 GSE Fleet (“1997 GSE Fleet Maximum Emissions Rate”). Compliance with the 1997 GSE Fleet Maximum Emissions Rate shall be measured using Equation 1 of Appendix 1 of the SCGSE MOU. If the Nonparticipating GSE Operators that operated GSE On-Site in 1997 collectively average an emissions rate in excess of the 1997 GSE Fleet Maximum Emissions Rate, liquidated damages shall be assessed against each Nonparticipating GSE Operator that operated GSE On-Site in 1997 and that has exceeded the 1997 GSE Fleet Maximum Emissions Rate, in amounts as set forth for “Participating Airlines” in Section IV.D.2.c of the SCGSE MOU.

**b. Emission Rate Requirement for Nonparticipating GSE**

**Operators That Did Not Operate GSE On-Site in 1997.** For any Nonparticipating GSE Operator that did not operate GSE On-Site in 1997, LAWA shall consult with CARB; the Air Transport Association (“ATA”); the Coalition Representative, and Nonparticipating GSE Operator(s) to set a maximum average emission rate in grams per brake-horsepower hour for hydrocarbon emissions plus NO<sub>x</sub>, to be met by December 10, 2010, for that Nonparticipating GSE Operator’s On-Site GSE (“Operator-Specific Maximum Emissions Rate”). Compliance with Operator-Specific Maximum Emissions Rates shall be measured using Equation 1 of Appendix 1 of the SCGSE MOU. If a Nonparticipating GSE Operator that did not operate GSE On-Site in 1997, averages an emissions rate in excess of the applicable Operator-Specific Maximum Emissions Rate, liquidated damages shall be assessed, in amounts as set forth for “Participating Airlines” in Section IV.D.2.c of the SCGSE MOU.

**3. ZEV Requirement for Nonparticipating GSE Operators.**

**a. ZEV Requirement for 1997 GSE Fleet.**

LAWA shall ensure that by December 31, 2010, Nonparticipating GSE Operators, in the aggregate, have ZEVs represent at least 30% of the 1997 GSE Fleet (“1997 GSE Fleet ZEV Requirement”). If the Nonparticipating GSE Operators collectively do not satisfy the 1997 GSE Fleet ZEV Requirement, liquidated damages shall be assessed against each Nonparticipating GSE Operator that has not satisfied the 1997 GSE Fleet GSE Requirement, in amounts as set forth for “Participating Airlines” in Section IV.D.2.d of the SCGSE MOU.

**b. ZEV Requirement for Nonparticipating GSE Operators That**

**Did Not Operate GSE On-Site in 1997.** For any Nonparticipating GSE Operator that did not operate GSE On-Site in 1997, LAWA shall consult with CARB; the Air Transport Association (“ATA”); the Coalition Representative, and the Nonparticipating GSE Operator(s) to set a ZEV requirement, to be met by December 10, 2010, for that Nonparticipating GSE Operator’s On-Site GSE (“Operator-Specific ZEV Requirement”). If the Nonparticipating GSE Operator(s) that did not operate GSE On-Site in 1997 does not satisfy the Operator-Specific ZEV Requirement, liquidated damages shall be assessed, in amounts as set forth for “Participating Airlines” in Section IV.D.2.d of the SCGSE MOU.

**4. Requirements for New GSE.**

**a. ZEV Requirement.** LAWA shall ensure that by December 31, 2010, Nonparticipating GSE Operators, in the aggregate, have ZEVs represent at least 45% of New GSE (“New GSE ZEV Requirement”). This New GSE Requirement shall not apply to the following four categories of GSE: cargo loaders, ground power units, air starts, and cargo tractors. Compliance with the New GSE ZEV Requirement shall be measured using Equation 4 of Appendix 1 of the SCGSE MOU. If the Nonparticipating GSE Operators collectively do not satisfy the New GSE ZEV Requirement, liquidated damages shall be assessed against each Nonparticipating GSE Operator that has not satisfied the New GSE ZEV Requirement, in amounts as set forth for “Participating Airlines” in Section IV.D.2.e of the SCGSE MOU.

**b. Engine Standards.** LAWA shall ensure that, with the exception of ZEVs, each piece of New GSE operated by Nonparticipating GSE Operators meets on-road and non-road clean diesel and gasoline engine standards applicable to that piece at commencement of operation of that piece.

**c. Technology Review.** Within three months of the completion of the 2006 Technology Review referenced in Section V.A. of the SCGSE MOU, LAWA shall meet with the Coalition Representative for the purpose of reaching a mutually acceptable agreement on diesel emission reduction strategies for cargo loaders, Ground Power Units, air starts, and cargo tractors operated by Nonparticipating GSE Operators.

**5. Particulate Filter and Oxidation Catalyst Requirements.** LAWA shall ensure that Nonparticipating GSE Operators comply with the diesel particulate filter and diesel oxidation catalyst retrofit requirements for the equipment applicable to “Participating Airlines” under Section III.D.1-3 of the SCGSE MOU. The schedule of compliance for the Nonparticipating GSE Operators shall be adjusted by adding one year to each deadline designated in the SCGSE MOU. Nonparticipating GSE Operators that do not comply with these requirements shall be assessed liquidated damages in amounts as set forth for “Participating Airlines” in Section IV.D.2.f of the SCGSE MOU.

**6. Reports.** LAWA shall provide annual reports to the Coalition Representative detailing compliance with requirements described in this Section X.I.

**7. Exemption.** Requirements of this Section X.I shall be suspended during the time as (i) CARB determines in writing that the requirements are not feasible for technological or safety reasons; or (ii) LAWA and the Coalition mutually agree to a suspension.

**8. Trading.** LAWA shall confer with CARB, ATA, Nonparticipating GSE Operators, and the Coalition Representative with a goal of obtaining access for Nonparticipating GSE Operators to the program for trading of equipment and credits described in Sections IV.5, V.M and V.N of the SCGSE MOU. After the conferral, any Nonparticipating GSE Operator that is not permitted to participate in this trading program may submit a written request to LAWA seeking modifications to the requirements of this Section X.I. LAWA and the Coalition shall meet and confer in an attempt to determine mutually agreeable modifications to the requirements of this Section X.I for that Nonparticipating GSE Operator.

**9. Requirements for LAWA GSE.** LAWA shall comply with the requirements of this Section X.I as a Nonparticipating GSE Operator.

**J. Emission Reductions From On-Road Trucks, Buses, and Shuttles.**

**1. Inventory of On-Road Heavy-Duty Vehicle Traffic and Study of Feasible Mitigation.**

**a. Heavy-Duty Vehicle Study.** LAWA shall fund a study of on-road Heavy-Duty Vehicle traffic related to LAX operations. This study shall begin no later than one year from the effective date of this Agreement. The study shall be completed within twelve months of its initiation. The study shall be conducted by an Independent Expert, selected through a Contract Award Process. The study shall inventory on-road Heavy-Duty Vehicle activity in both landside and airside operations, including cargo operations; shall seek to determine the types of on-road Heavy-Duty Vehicles operating On-Site, including but not limited to the model year, and the frequency of operations, by individual vehicle; and shall make recommendations regarding emissions reduction measures. The study shall assess the need for and feasibility of mitigation measures, including but not limited to:

- an incentive program to replace, repower, or retrofit existing on-road Heavy-Duty Vehicles that service or make deliveries to and from LAX;
- establishment of a centralized delivery system, employing Alternative-Fuel Vehicles or Least-Polluting Available Vehicles, to reduce trips of delivery trucks and vehicles on LAX airside roadways; and
- contractual requirements with Airport Contractors regarding emissions reductions from vehicle and on-road Heavy-Duty Vehicle and on-road Medium-Duty Vehicle operations on airport.

The study shall assess any other potentially valuable emissions reductions measures. Within 15 days of the completion of the inventory and study, LAWA shall provide the final study to the Coalition Representative and the public.

**b. Recommendations for Further Action.** Any recommendations for mitigation measures found to be feasible by the study shall be reviewed by LAWA and the Coalition Representative. With consideration of input from the Coalition Representative, LAWA staff shall forward a recommendation to adopt feasible mitigation measures to the BOAC for consideration. At a public meeting, after considering of the staff recommendation, any Coalition Representative recommendations, and other public comment, the BOAC shall approve the proposal, deny the proposal, or request further detail from LAWA staff and/or the Coalition Representative. If the BOAC denies the proposal, it shall adopt specific written findings regarding the reason for the denial.

**2. Conversion of Trucks, Shuttles, Passengers Vans and Buses to Alternative Fuel.**

**a. Covered Vehicles.** Requirements established under this Section X.J.2 shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses, that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX (“Covered Vehicles”). Diesel equipment for construction related to the LAX Master Plan Program that is subject to Section X.F of this Agreement shall be exempt from requirements established pursuant to this Section X.J.2.

**b. Conversion Schedule.** LAWA shall ensure that by five years from the effective date of this Agreement, 50 percent of the Covered Vehicles operated by any Airport Contractor, Airport Lessee, and Airport Licensee (collectively “Operators”) are Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles. LAWA shall ensure that by ten years from the date of execution of this Agreement, 100 percent of the Covered Vehicles operated by each Operator are Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles.

**c. Least-Polluting Available Vehicles.** In cases where Operators cannot comply with requirements established pursuant to Section X.J.2.b because neither Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles are commercially available for performance of particular tasks, LAWA shall instead require Operators to use Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor shall determine on an annual basis whether Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles are commercially available to perform particular tasks, and, in cases where Alternative-Fuel Vehicles or Optional Low NOx Standard Vehicles are not commercially available for performance of a particular task, shall identify the Least Polluting Available Vehicle for performance of that task.

**d. Exemptions.** Construction-related diesel equipment used on LAX Master Plan Program construction sites on fewer than 20 calendar days per calendar year shall be exempt from the requirements of this Section X.J.2.

**e. Written Reports.** LAWA shall make annual written reports on LAWA and Operator compliance with requirements of this Section X.J.2 to the Coalition Representative and to BOAC. The reports shall include, but not be limited to, (i) a list for each Operator of the number, type, and model year of all vehicles in use, and (ii) the total number of Alternative-Fuel Vehicles, Optional Low NOx Standard Vehicles, Least-Polluting Available Vehicles, retrofitted vehicles, and other vehicles operated by Operators.

## **K. Particulate Matter (PM 2.5).**

**1. Assessment of PM 2.5.** LAWA shall assess and mitigate impacts of PM 2.5 in compliance with all applicable provisions of state and federal law. LAWA's obligation to mitigate PM 2.5 impacts within the context of the CEQA may be limited by feasibility, overriding considerations or other requirements articulated in applicable state and federal laws.

**2. Determination of PM 2.5 Significance Thresholds.** The assessment and mitigation of PM 2.5 impacts shall comply with the requirements for both attainment of PM 2.5 ambient air quality standards and the mitigation of significant project-related and cumulative impacts under CEQA. The assessment of PM 2.5 impacts shall also comply with the requirements for both attainment of PM 2.5 ambient air quality standards of significant project-

related and cumulative impacts as stipulated under the National Environmental Policy Act (NEPA).

**a. LAWA Discretionary Responsibility Under CEQA.** LAWA, as a lead agency, shall exercise its independent discretionary responsibility to assess and mitigate significant PM 2.5 impacts under CEQA, contingent upon the adoption by SCAQMD of guidance thresholds for significant impacts. To be considered applicable, the SCAQMD guidance thresholds that will be developed must be subject to review and input by those agencies and groups, including the City of Los Angeles, which are reliant on those thresholds. LAWA shall then comply with this requirement by either: using guidance thresholds for significant impacts developed by SCAQMD; or independently establishing significance thresholds consistent with the statutory requirements of CEQA.

**b. LAWA Discretionary Responsibility Under NEPA.** LAWA, in conjunction with FAA, shall exercise its independent discretionary responsibility to assess significant PM 2.5 impacts under NEPA, contingent upon the adoption of thresholds for significant impacts of PM 2.5 by the EPA or applicable federal agency. LAWA shall then comply with this requirement by either: using guidance thresholds for significant impacts developed by EPA; or independently establishing significance thresholds consistent with the statutory requirements of NEPA.

**3. Conferring with Applicable Agencies.** LAWA shall confer with applicable agencies, including the SCAQMD, CARB, and the EPA, to assure compliance with state and federal PM 2.5 ambient air quality standards after guidance for measuring and evaluating exceedances has been established. With respect to projects requiring CEQA analysis, LAWA shall include the SCAQMD as a responsible agency in the review process to seek adherence to the threshold standards to be established.

**4. LAWA Project Assessment of PM 2.5.** LAWA shall conduct and complete a CEQA assessment of PM 2.5 impacts related to the first LAX Master Plan Program project to be initiated after establishment of applicable thresholds, either by SCAQMD or as outlined above. This assessment shall be completed in consultation with SCAQMD as a responsible agency in the CEQA review process.

**L. Rock-Crushing Operations and Construction Material Stockpiles.** LAWA shall locate rock-crushing operations and construction material stockpiles for all construction related to the LAX Master Plan Program in areas away from LAX-adjacent residents to reduce impacts from emissions of fugitive dust. In any project-related review under CEQA or NEPA for a project implementing any component of the LAX Master Plan Program, LAWA shall identify and analyze all potentially significant environmental impacts associated with rock crushing operations and construction material stockpiles. In implementation of any component of the LAX Master Plan Program, LAWA shall adopt and implement mitigation measures to eliminate any significant adverse environmental impacts related to rock crushing or construction material stockpiles and related construction activities.

**M. Limits on Diesel Idling.** LAWA shall prohibit diesel-powered vehicles from idling or queuing for more than ten consecutive minutes On-Site, unless CARB adopts a stricter

standard, in which case LAWA shall enforce that standard. Exemptions to this rule may be granted for safety-related and operational reasons, as defined in CARB regulations.

**N. Provision of Alternative Fuel.** LAWA shall ensure that its infrastructure for providing fuel to Alternative-Fuel Vehicles is sufficient and available, where not Operationally Infeasible and/or Technically Infeasible, to meet all requests for alternative fuel from contractors and other users of LAX.

**O. Hydrogen Fuel Cell Infrastructure.** LAWA shall support efforts to place a hydrogen fuel cell system for the generation of electricity at or near LAX. This fuel cell system shall meet or exceed CARB 2007 distributed generation certification standards.

**P. Cleaner Burning Jet Fuels.** LAWA shall support efforts to encourage the airlines and petroleum industries to embark on a study to promote the use of jet fuels that minimize air pollutant emissions from jet engines.

## **XI. GREEN BUILDING PRINCIPLES.**

To the extent practical and feasible, in accordance with local Building Codes and California state codes, and subject to limitation or restrictions in accordance with FAA or Transportation Security Administration standards and guidelines, LAWA shall incorporate Leadership in Energy and Environmental Design (LEED) building standards into the demolition, design, construction and operation of all aspects of the LAX Master Plan Program. LAWA shall apply the LEED standards for New Commercial and Major Renovations, Version 2.1, as defined by the U.S. Green Building Council.

LAWA shall abide by all applicable City regulations with respect to energy efficiency, sustainability and green building design.

## **XII. TRAFFIC**

### **A. Construction Traffic.**

**1. Designated Routes.** LAWA shall designate routes for construction equipment, construction-related vehicles, and trucks participating in construction projects related to the LAX Master Plan Program to access LAX. These route designations shall ensure that such construction equipment, construction-related vehicles, and trucks do not travel (i) on 111th Street between Hawthorne Boulevard and Inglewood Avenue; (ii) on 104th Street between Hawthorne Boulevard and Inglewood Avenue; (iii) on Inglewood Avenue between Century Boulevard and Imperial Highway; and (iv) on Lennox Boulevard between Hawthorne Boulevard and Inglewood Ave. New, amended, renewed, or extended Airport Contracts any relevant LAX licensing or permitting requirements shall include language requiring compliance with this Section XII.A.1 by way of liquidated damages of \$250 per violation to be assessed against any entity responsible for the violation. LAWA shall actively monitor compliance with requirements of this Section XII.A, including investigation of reports registered under Section XII.A.1.

**a. Community Response Program.** LAWA shall establish a mechanism for members of the public to report instances of non-compliance with designated truck routes. LAWA shall maintain a record of all individual reports, and shall prepare annual reports, including names of contractors, vehicle, date and time of each reported violation. All records, excluding the reporting individual's name and address, shall be maintained as public records and posted on the LAWA website.

**2. Lennox/405 Interchange.** If LAWA participates in construction of an interchange to the 405 Freeway at Lennox Boulevard, LAWA shall consult with the Coalition Representative and impacted residents in developing mitigation measures that shall be included in the project's Environmental Impact Report, to minimize negative impacts such as residential relocations and the demolition of a community center. These mitigation measures shall include pedestrian and bicycle access over or under the 405 Freeway at Lennox Boulevard, to ensure that local residents can safely access both sides of the 405 Freeway at Lennox Boulevard.

### **XIII. MINORITY BUSINESS ENTERPRISE, WOMEN BUSINESS ENTERPRISE AND SMALL BUSINESS UTILIZATION AND RETENTION PROGRAM**

**A.** LAWA shall coordinate with the Mayor's Office, CDD, and other relevant business advocacy and assistance organizations to initiate a program to increase participation in the planning, construction, operation and maintenance of LAX by Project Impact Area small businesses and minority-owned business enterprises and women-owned business enterprises (MBE/WBE). A goal of this program will be the utilization of MBE/WBE as Airport Contractors in these areas, by LAWA in planning, design, financing, construction and all other projects of the LAX Master Plan Program. This program shall include:

- targeted outreach within the Project Impact Area to Project Impact Area small businesses, Project Impact Area disadvantaged businesses, and relevant business organizations;
- inclusion of Project Impact Area small businesses, Project Impact Area disadvantaged businesses, and relevant business organizations in pre-bid conferences;
- "Meet the General Contractor" meetings for Project Impact Area small businesses and disadvantaged businesses;
- unbundling of construction projects into bid sizes that will allow small businesses level competition, without restricting the project timelines;
- assistance with access to bonding, insurance, procurement and other types of capacity-related assistance where necessary.

**B.** LAWA, as with City policy, will ensure that there is no discrimination against Project Impact Area small businesses and disadvantaged businesses in selection of businesses to operate, locate a franchise, or provide services On-Site.

**C.** LAWA, in coordination with the City Mayor's Office and other relevant small business assistance/finance organizations, shall assist to identify and/or develop a low-interest

working capital revolving loan program to assist Project Impact Area small businesses and disadvantaged businesses seeking to: (i) perform work related to the LAX Master Plan Program; and/or (ii) operate franchises or provide services in LAX facilities.

**D.** In providing the assistance and services identified in this Section XIII, LAWA shall work collaboratively with the following organizations and programs:

- Mayor’s Minority Business Opportunity Committee (“MBOC”)
- U.S. Small Business Administration
- Minority Business Development Center Program
- Small Business Development Center Program
- Los Angeles Business Assistance Program
- SPARTA Insurance Program for City Contractors
- Disadvantaged Business Advocacy Organizations

LAWA shall make best efforts to ensure that MBOC, in coordination with the LAWA Small Business Opportunities Unit, has a lead role in assisting with access to procurement opportunities, financing, bonding, and prime/subcontractor introductions, and that MBOC assists with identifying a source of financing for a low interest working capital revolving loan program to assist Project Impact Area small businesses and disadvantaged businesses seeking to compete for contract and franchise opportunities at LAX.

#### **XIV. COMMUNITY PREPAREDNESS FOR AIRPORT-RELATED EMERGENCY**

LAWA shall assist in the coordination and dissemination of appropriate information related to emergency preparedness and response of local law enforcement agencies, emergency response groups (e.g., Red Cross, FEMA), and the local communities in the event of an airport-related emergency.

#### **XV. DESIGNATED AIRPORT FUNDS.**

Where this Agreement provides that LAWA shall contribute airport revenues to job training funds or air quality funds, LAWA will follow the procedures set forth in the Cooperation Agreement regarding “Alternative Job Training and Air Quality Expenditure.”

#### **XVI. MISCELLANEOUS.**

**A. Implementation Meetings.** To facilitate implementation of this Agreement, address concerns, and ensure an ongoing dialogue between the Coalition Representative and LAWA, the Coalition Representative and LAWA shall have regular Implementation Meetings. During the first twelve months after the effective date of this Agreement, implementation meetings shall be held on a monthly basis. After that time period, implementation meetings shall be held every other month. LAWA shall ensure that at least one deputy executive director and one other management-level LAWA staff member attend each implementation meeting. At implementation meetings either the Coalition Representative or LAWA may raise any issue

regarding implementation of this Agreement for discussion. These meetings shall provide an opportunity for the Coalition Representative to voice concerns about LAWA activities related to this Agreement or the LAX Master Plan Program.

**B. Annual Reports.** LAWA shall prepare annual reports on the implementation of this Agreement and the progress of the LAX Master Plan Program, and shall forward these reports to the Coalition Representative and post the reports on the LAWA website for at least a one-month period. These reports shall include a description of all actions LAWA has taken to implement or comply with the requirements of this Agreement, with detail sufficient for the Coalition Representative to determine compliance with this Agreement. Upon request from the Coalition Representative, LAWA shall provide any records or information necessary to monitor compliance with the provisions of this agreement. LAWA shall require all Airport Contractors, Airport Lessees, and Airport Licensees to provide any records or information necessary to monitor compliance with the provisions of this agreement.

**C. Contract Award Process.** Where a provision of this Agreement refers to a Contract Award Process, that process shall be as described in this Section XVI.C. A Contract Award Process is “initiated” on the date the draft protocols and/or scope of work to be included in the RFP is provided to the Coalition Representative. A Contract Award Process is “completed” on the date the BOAC approves the contract award. When a particular commitment is to be required of the selected contractor, that commitment shall be set forth in the RFP and as a material term of the contract. Any re-release of an RFP or re-bidding of a contract shall occur as described in this Section XVI.C.

**1. Request for Proposals.**

**a.** LAWA shall consult with the Coalition Representative in preparing the Request for Proposals for the selection of the contractor.

**(i)** At least 20 days prior to LAWA staff’s initial drafting of the RFP, LAWA shall meet with the Coalition Representative to elicit input;

**(ii)** At least 40 days before the RFP is scheduled to be considered by BOAC, LAWA shall provide the Coalition Representative the draft protocols to be included in the RFP;

**(iii)** At least 25 days before the RFP is scheduled to be considered by BOAC, the Coalition Representative shall submit in writing any recommendations or comments regarding the draft protocols;

**(iv)** LAWA shall respond in writing to any written communication from the Coalition Representative regarding the draft protocols;

**(v)** LAWA shall attach these written communications and responses to the staff report to BOAC regarding the RFP; and

(vi) At least 10 days before the RFP is scheduled to be considered by BOAC, LAWA shall provide to the Coalition Representative the Board Report regarding the RFP.

b. The RFP shall require that the selected contractor provide written annual progress reports to LAWA.

## 2. Contract Award.

a. At least 30 days prior to the public meeting at which BOAC will consider award of the contract, LAWA staff shall submit its report and recommendation on award of the contract to the Coalition Representative;

b. At least 20 days before the BOAC meeting date, the Coalition Representative will submit to LAWA staff the Coalition Representative's written recommendations or comments regarding the contract award.

c. LAWA staff shall provide a copy of the Coalition Representative's recommendations or comments to BOAC; and

d. BOAC shall consider the Coalition Representative's recommendations or comments in making its decision regarding award of the contract. If BOAC takes action on award of the contract that is contrary to the Coalition Representative's recommendation, BOAC or BOAC's staff shall indicate in writing the reasons BOAC acted differently from the Coalition Representative's recommendation.

**D. Special Arbitrator.** Where a provision of this Agreement refers to a Special Arbitrator, procedures shall be as described in this Section XVI.D.

1. **Referral to Arbitrator.** Either the Coalition or LAWA may request that an arbitrator make a finding on any issue for which a Special Arbitrator is referenced in this Agreement.

2. **Arbitration Procedures.** Arbitration shall be conducted in Los Angeles, California, under the rules of the American Arbitration Association.

3. **Limit to Issue Presented.** In arbitration proceedings initiated under this Section XVI.D, the arbitrator shall have the power only to make a finding on an issue referred under Section XV.D.1, and shall not have the power to order any relief.

4. **Costs.** LAWA shall pay the costs of the arbitrator. Each Party shall bear its own fees and other costs.

**E. General LAWA Enforcement Responsibility.** Where this Agreement requires LAWA to impose responsibilities on third parties, LAWA shall (i) ensure that relevant Airport Contracts and LAX licensing or permitting requirements impose those responsibilities and grant LAWA the power to enforce compliance with those responsibilities against those parties; and (ii)

monitor and enforce compliance with those responsibilities. Where this Agreement states that requirements of a section are subject to liquidated damages, LAWA shall enforce the liquidated damages provisions in cases of noncompliance.

## **Exhibit List**

- Exhibit A: Avigation Easement
- Exhibit B: Noise Easement
- Exhibit C: First Source Hiring Program for Airport Employers
- Exhibit D: Air Quality Source Apportionment Study Technical Workplan associated documents
- Exhibit E: South Coast Ground Service Equipment Memorandum of Understanding