

LAX Trip Fee Prepayment Program

Los Angeles World Airport (LAWA) is offering the **LAX Trip Fee Prepayment Program**, a pilot program, in an effort to improve efficiency of operations and reduce congestion at the Commercial Vehicle Holding Lot and Charter Trip Ticket Booths.

A participant would not be required to purchase a paper Trip Ticket for each pick-up trip but rather would be invoiced monthly based upon trips recorded by the account vehicle transponders in the LAX Automatic Vehicle Identification (AVI) System.

To be eligible, a Charter Party Carrier must be in good standing with the following requirements:

- A current, valid Non-Exclusive License Agreement for Charter Party Carrier Transportation Services to and from LAX;
- Valid insurance approved by LAWA Risk Management;

To participate, a Charter Party Carrier must:

- Execute a Pilot Trip Fee Prepayment Program Agreement
- Submit a Prepayment Deposit of **\$3,000** or three times the highest monthly Trip Fees that have occurred in the most recent 12 month period, whichever is greater. The Prepayment Deposit may be submitted in the form of a check or Letter of Credit.

Please contact Shelly Rodriguez for more information.
(424) 646-7087 or at srodriguez@lawa.org

Reference

- Sample Pilot Trip Fee Prepayment Agreement
- Letter of Credit Requirements

**CITY OF LOS ANGELES, DEPARTMENT OF AIRPORTS
PILOT TRIP FEE PREPAYMENT PROGRAM FOR
CHARTER PARTY CARRIERS AT
LOS ANGELES INTERNATIONAL AIRPORT**

THIS Pilot Trip Fee Prepayment Program Agreement is entered into this ____ day of _____, 20____, by and between the **CITY OF LOS ANGELES**, a municipal corporation, (herein after referred to as “City”), acting by order of and through the Board of Airport Commissioners (hereinafter referred to as “Board”) of the Department of Airports, also known as Los Angeles World Airports (hereinafter referred to as “Department” or “LAWA”), and **Click here to enter text.** (hereinafter referred to as “Licensee”), holder of Non-Exclusive License Agreement No. **Click here to enter text.** with the City of Los Angeles for certain passenger transportation services.

RECITALS

WHEREAS, The City of Los Angeles desires to reduce the congestion of the Commercial Vehicle Holding lots for Los Angeles International Airport (LAX) by implementing a Pilot Trip Fee Prepayment Program (Program), allowing Charter Party Carriers/Limousine Operators who have obtained Non-Exclusive License Agreements (NELA) with LAWA to prepay their required Trip Fees pursuant to their NELA, from a Deposit account on a monthly basis as opposed to per trip basis at LAX; and

WHEREAS, City desires to extend the Pilot Trip Fee Prepayment Program to those Charter Party Carriers with a high volume of Trips in the Central Terminal Area (CTA) and/or several vehicles in their fleets accessing the CTA; and

WHEREAS, Charter Party Carriers desire a less arduous requirement for remitting payment to LAWA for access to the CTA to provide services at LAX to their customers than to have each of their vehicles have to pay for and collect a per event Trip Ticket from a ticketing booth; and

WHEREAS, City and Licensees desire to implement the Pilot Program herein described.

NOW, THEREFORE, in consideration of the covenants and conditions hereinafter contained to be kept and performed by the parties hereto, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Term.** The term of this Agreement shall commence upon the date of LAWA’s receipt of Licensee’s Deposit, on _____, 201____ and shall run concurrently with the Term of Licensee’s NELA No. **Click here to enter text.**, expiring on such date the NELA expires, which is _____, 20____, or is terminated pursuant to the terms of Licensee’s NELA and/or the terms herein.
2. **Deposit.** City must receive Licensee’s initial Deposit indicating Licensee’s acceptance and desire to participate in the Program. The initial Deposit shall be Three Thousand Dollars (\$3000) or three (3) times the highest monthly Trip Fees that have been incurred by Licensee within the most recent previous 12 month period, whichever is greater.

- 2.1 City acknowledges that Licensee paid the sum of \$ _____, for Licensee's Deposit Account.
- 2.2 On July 1st each year (Adjustment Period) Licensee is a participant of the Program, Licensee's highest monthly Trip Fees from the most previous 12 months will be evaluated by City to determine any adjustments to the required amount of Licensee's Deposit account, pursuant to the method described in this Section 2 herein. Should there be an adjustment, whether an increase or decrease in the required Deposit funds, it shall be so noted in writing by the City to Licensee. Licensee shall, within ten (10) days of the date of the writing by City referenced in this Section 2.2, herein, comply with any changes in the Deposit requirement including remitting payment to City to reconcile Licensee's Deposit account to the required amount should there be an increase in the Deposit. Any Deposit fund overages found due to Adjustment Period, shall be deducted from Trip Fees owed and due, unless otherwise requested by Licensee for Refund pursuant to Section 9, herein.
3. **Payments.** Deposits and payments shall be in the form of a Cashier's Check, Company Check, or Money Order, made payable to The City of Los Angeles, Department of Airports. The funds shall be mailed to the following address:
- City of Los Angeles, Department of Airports
Accounting Revenue Operations
P.O. Box 54078
Los Angeles, CA 90054-0078
- unless and until City designates otherwise in writing. All payments shall be made in the legal tender of the United States.
4. **Trip Ticket Decals.** Trip Ticket Decals shall be issued upon Licensee's commencement in the Program. These Decals, when permanently affixed on the windshield of each vehicle shall indicate to Airport officials that Licensee's vehicles have a requisite "Trip Ticket" to access and operate in the CTA. Decals shall at all times remain the property of the City and shall be returned to the City on demand. Decals shall not be transferable or assignable. Decals shall not be forged, altered or counterfeited.
5. **Reconciling Deposit Account.** Reconciliation of the total actual Trips Fees incurred from Trips conducted and completed during each month shall be deducted from Licensee's Deposit account at the end of each month. Should a balance exist, Licensee shall remit payment of the balance to the City within ten (10) days of the date of an invoice from City requesting the balance in order to replenish Licensee's Deposit account back to its required value.
6. **General.** Participation in the Program is strictly voluntary. The Trip Fee Pre-Payment Program is not a debt instrument nor does the Program extend credit to any Licensee.

7. **Default.** A default occurs upon Licensee's failure to replenish the Trip Prepayment Deposit account within ten (10) days from the time Licensee's deposit has decreased to one third (33.33%) of Licensee's required Deposit. Upon such Default event Licensee's Program participation may be cancelled with or without notice by City. Upon cancellation, Licensee must return all Ticket Exempt Decals issued for each vehicle in Licensee's fleet, and shall resume operating under the guidelines of the Ground Transportation Rules and Regulations daily ticketing requirements.
8. **Refunds; Licensee Cancels Participation.** Should Licensee desire to cancel its participation in the Program and/or no longer operates at LAX, Licensee may, in a writing, to the City of Los Angeles, Department of Airports, C/O LAX Ground Transportation Permits Office, state the reason (cancellation and/or cessation of operation at LAX) for refund request and request a refund of its prepayment Deposit less Trip Fees actually incurred up to the date of LAWA's receipt of the request, which refund shall be remitted within thirty (30) days of receipt of the writing. Upon cancellation of participation with the Program Licensee shall deliver possession of any and all issued Trip Ticket Decals back to LAWA.
9. **LAWA Modification; Cancellation; Termination.** LAWA's Chief Executive Officer may modify or terminate the Pilot Trip Fee Prepayment Program with or without notice, for any reason, in his or her sole discretion. In the event of such termination 1) Licensee's Deposit shall be credited towards Trip Fees due and owed up and until the Deposit amount is exhausted or 2) Licensee may request a refund of the deposit less Trip Fees due and owed within thirty (30) days of termination of the Program. Refunds will be issued by City within thirty (30) days of receipt of requests pursuant to this provision 9, herein.
10. **Conflicts.** If there are any direct conflicts between the provisions of this Agreement and the Licensee's NELA, the provisions of NELA shall be controlling.
11. **Applicable Law.** This Agreement shall be governed by the laws of the State of California, City of Los Angeles.

[Signatures on the following page.]

IN WITNESS WHEREOF, City has caused this Agreement to be executed by the Chief Executive Officer and Licensee has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

Date _____

By _____
Deputy/Assistant City Attorney

CITY OF LOS ANGELES

By _____
Chief Executive Officer
Department of Airports

ATTEST:

By _____
Signature

Print Name

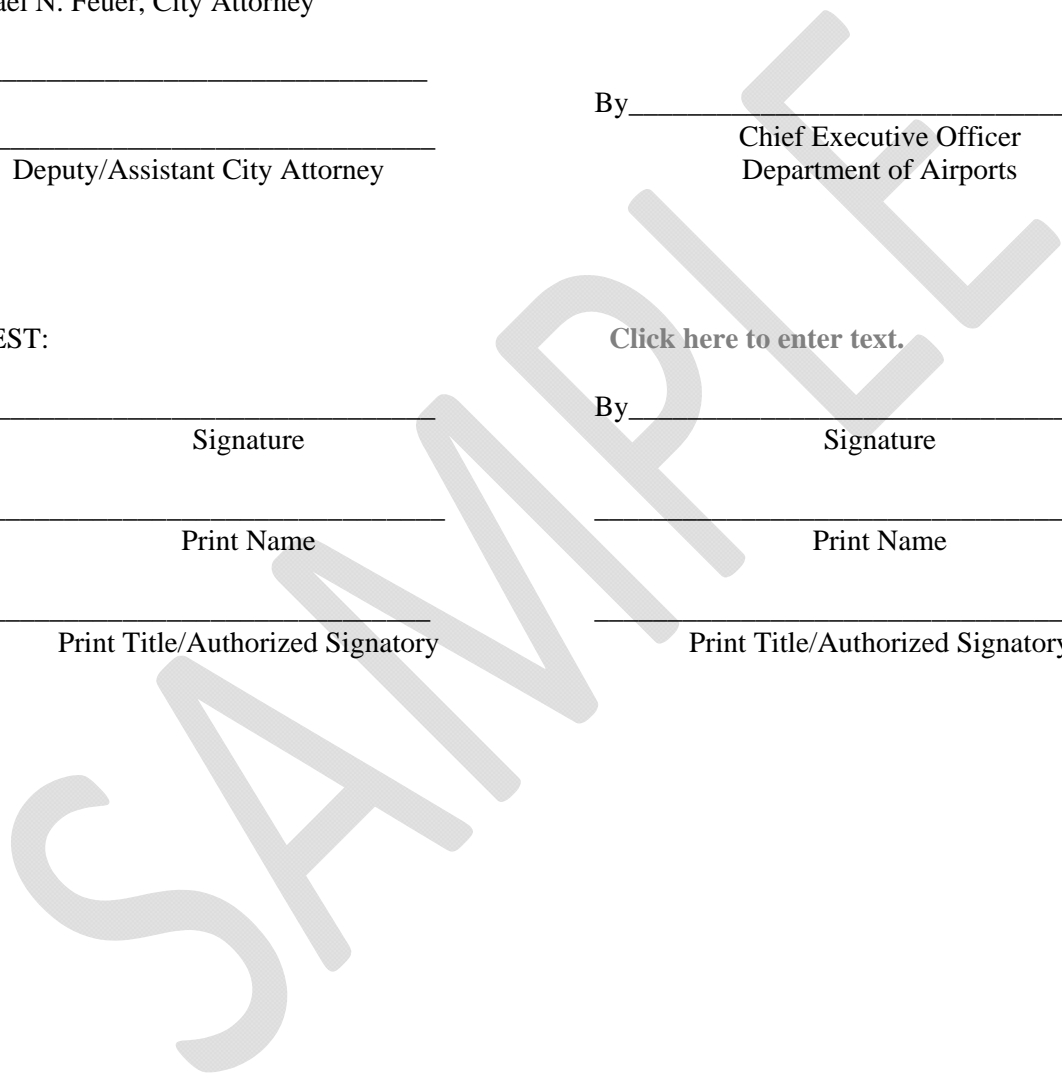
Print Title/Authorized Signatory

Click here to enter text.

By _____
Signature

Print Name

Print Title/Authorized Signatory





LETTER OF CREDIT REQUIREMENTS



The Letter of Credit must:

1. Be an irrevocable, stand-by Letter of Credit, **issued by a U.S. Bank**
2. Have a minimum term of one (1) year
3. Allow for partial and multiple drawings
4. Name the City of Los Angeles, Department of Airports, as beneficiary
5. State on the face of the Letter of Credit the following exact language:

This Letter of Credit is available for drawings in favor of the City of Los Angeles upon City's presentation of the original Letter of Credit and a statement, purportedly signed by the Executive Director of Department of Airports, or his/her authorized representative, stating: "The Applicant's payment, contractual, or other obligations were not fulfilled when due and are currently outstanding."

"This Letter of Credit shall be deemed automatically renewed on the expiration date stated and every expiration date thereafter, for an additional one-year period, unless the beneficiary is notified via certified mail, 60 days prior to said expiration date, that the letter of credit shall not be renewed."

Please have the bank provide a preliminary PDF copy of the proposed document to dcolson@lawa.org before the original is issued so that it can be reviewed for accuracy. All original documentation regarding the financial instrument should be forwarded directly to the following address:

Los Angeles World Airports
Attn: Accounting/Revenue FPG Administrator
P. O. Box 92216
Los Angeles, CA 90009-2216

Or you may courier it to:

Los Angeles World Airports
Attn: Douglas Colson - FPG Administrator
6053 W Century Blvd, Suite 500
Los Angeles, CA 90045
Ph) 424-646-7610