



Los Angeles World Airports

Fees, Rates, and Charges

Fees, Rates, and Charges. As provided by resolution of the Board of Airport Commissioners, commercial Air Carriers must pay a landing fee to the City of Los Angeles for each aircraft landing. The landing fee is the product of the number of thousands of pounds of MGLW of the aircraft multiplied by the applicable landing fee rate. The most recent Board Resolution setting Landing Fees can be found at: <https://www.lawa.org/-/media/lawa-web/group-and-division/files/air-carrier-operating-permit-acop-lax/landing-fees-at-lax.ashx>. The landing fee rate for aircraft weighing less than 25,000 pounds and the parking fee rates for aircraft parking in common use parking areas are also set by the Board by resolution and Air Carriers must pay the charges applicable to its operations. The City of Los Angeles may adjust the landing fee up to twice each fiscal year.

Security Deposit

Air Carriers are required to remit to the City of Los Angeles a security deposit in the amount of \$10,000, or Three (3) times the estimated monthly landing fees, whichever is greater.

The security deposit must be furnished prior to the commencement of the term of the Air Carrier Operating Permit, or, if applicable, 30 days following adjustment of the security deposit amount. If for any reason the security deposit is not provided by the Air Carrier and/or is not thereafter maintained in a sufficient amount throughout the term of the permit, City may terminate the permit at any time upon giving 15 days written notice. Upon expiration or earlier termination of the permit, and if the Air Carrier has satisfied all of its financial obligations to City, City shall relinquish the security deposit to the Air Carrier within 60 days following such expiration or termination, provided no monetary dispute exists.

The security deposit must be in the form of an Irrevocable Letter of Credit, issued by a United States bank. The security deposit must provide for 60 days advance written notice to City by certified or registered mail prior to cancellation, modification or material alteration. The security deposit must be approved as to legal form by the City Attorney's Office. Further, the security deposit must provide an automatic renewal clause ("Evergreen Clause") that obligates the issuer to renew the security deposit on every expiration date, for another one-year term. This is done with the understanding that the security deposit may be cancelled, modified or materially altered upon providing 60 days notice to City.

The Letter of Credit must name the City of Los Angeles, Department of Airports as beneficiary, and state 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 the Department of Airports, or his authorized representative, stating: "(Insert name of Air Carrier) is in default under the Operating Permit between the City of Los Angeles and (Insert name of Air Carrier)."



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“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.”

The letter of credit must allow for full or partial drawings. If, during the term of the permit, one or more monthly landing fee payments are delinquent 10 or more business days, the City at its sole option, may make a full or partial draw or claim against the security deposit. The Air Carrier must, within 15 days of a full or partial draw or claim, replace the security deposit in an amount equal to its previous status before the draw or claim.



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