

RESOLUTION NO. 28187

WHEREAS, the Board of Airport Commissioners, in accordance with Section 632(a) of the City Charter of Los Angeles, is authorized to fix and collect rates and charges for use of lands, property and facilities controlled by the City of Los Angeles in accommodation of air commerce; and

WHEREAS, it was recommended that Resolution 27970 be rescinded and that effective July 1, 2025 the definitions, rates, charges, fees and reporting requirements set forth herein shall apply to all aircraft using the facilities at Los Angeles International Airport and owned and operated by the City of Los Angeles, except as otherwise expressly provided herein:

**LAX**

**Van Nuys**

**City of Los Angeles**

Karen Bass  
Mayor

**Board of Airport  
Commissioners**

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Matthew M. Johnson  
Vice President

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John Ackerman  
Chief Executive Officer

Section 1. Definitions

- (a) "Air Carrier" – Any person, or persons, including corporations, that undertakes, whether directly or indirectly or by lease or any other arrangement, to engage in air commerce, that is certified by the Federal Aviation Administration (FAA), and that holds a current FAA certificate to transport air passengers or property for hire.
- (b) "Aircraft" – Any heavier-than-air fixed or rotary wing vehicle used or designed for flight.
- (c) "Board" – The Board of Airport Commissioners of the City of Los Angeles.
- (d) "City" – The City of Los Angeles.
- (e) "Chief Executive Officer" – The Chief Executive Officer of Los Angeles World Airports.
- (f) "LAWA" – Los Angeles World Airports, also known as the Department of Airports of the City.
- (g) "LAX" – Los Angeles International Airport.
- (h) "Ferry Landings" – Landings of Aircraft without revenue passengers and/or cargo on board, operated by an Air Carrier other than a non-scheduled or on-demand air taxi operator, at an airport owned or operated by City for the purpose of positioning Aircraft to enplane passengers, and/or cargo for originating a flight.
- (i) "Maximum Gross Landing Weight" or "MGLW" – The FAA Certificated Maximum Gross Landing Weight or actual gross landing weight of Aircraft if no such specification exists. In computing fees prescribed in this Resolution, 500 pounds or any larger part of 1,000 lbs. shall be counted as if a whole 1,000 lbs. and any smaller part shall be disregarded.
- (j) "Non-Permitted Air Carrier Passenger" – An Air Carrier that transports either passengers or both passengers and cargo for compensation and that has not signed an LAX Air Carrier Operating Permit.
- (k) "Non-Permitted Air Carrier Cargo" – An Air Carrier that transports cargo but not passengers for compensation and that has not signed an LAX Air Carrier Operating Permit.



- (l) "Permitted Air Carrier Passenger" – An Air Carrier that transports either passengers, or both cargo and passengers for compensation and that has executed an LAX Air Carrier Operating Permit under authority granted by the Board.
- (m) "Permitted Air Carrier Cargo" – An Air Carrier that transports cargo but not passengers for compensation and that has executed an LAX Air Carrier Operating Permit under authority granted by the Board.
- (n) "Public/Non-Exclusive Aircraft Parking Areas" – Those areas which are designated by the Chief Executive Officer or his or her designee and available in common with other Air Carriers for the public/non-exclusive parking of Aircraft; subject, however, to changes therein at the discretion of the Chief Executive Officer or his or her designee at any time.
- (o) "Revenue Landings" – Each landing of an Aircraft at LAX, except the following:
  - (i) landings of an Aircraft owned and operated by agencies of the United States Government<sup>1</sup>;
  - (ii) landing of an Aircraft that departs from LAX and returns, without having landed at another airport, for meteorological, mechanical, safety or any other emergency purpose;
  - (iii) landing of an Aircraft during training flights;
  - (iv) landing of an Aircraft during maintenance test flights;
  - (v) Ferry Landings.

## Section 2. Landing Fee Rate

Permitted Air Carriers and Non-Permitted Air Carriers shall pay a landing fee for each Revenue Landing of an Aircraft operated by such Air Carrier. The landing fee shall be an amount equal to the product of (i) the number of 1,000 lbs. of MGLW of an Air Carrier's Revenue Landing multiplied by (ii) the landing fee rate.

### (a) Landing Fee Rate for Permitted Air Carriers

- (i) \$5.15 per 1,000 lbs. of MGLW for each landing by a Permitted Air Carrier Cargo. This rate also applies to permitted commuter air carriers which do not use the terminal aprons.
- (ii) \$6.88 per 1,000 lbs. of MGLW for each landing by a Permitted Air Carrier Passenger.

### (b) Landing Fee Rate for Non-Permitted Air Carriers

- (i) \$6.44 per 1,000 lbs. of MGLW for each landing by a Non-Permitted Air Carrier Cargo. This rate also applies to non-permitted commuter air carriers which do not use the terminal aprons.

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<sup>1</sup>Pursuant to Federal Grant Assurance #27 (Use by Government Aircraft), LAWA allows federal government agencies to land/take off and park their aircraft free of charge.

- (ii) \$8.60 per 1,000 lbs. of MGLW for each landing of Non-Permitted Air Carrier Passenger.

### Section 3. Ramp, Apron and Remote Area Fees

Air Carriers using the ramp, apron and remote areas shall be charged the following Ramp, Apron and Remote Area Fees:

- (a) \$100.00 for each 15-minute period or fraction thereof after the Air Carrier has been given notice by the Chief Executive Officer that Airport Operations requires that the aircraft leave the area. The period to be used for calculating this charge shall begin 15 minutes after such notice has been given.
- (b) \$100.00 for each 10-minute period or fraction thereof when an Aircraft is double-parked or in a position other than at a regular gate position and the Air Carrier has been given notice by the Chief Executive Officer that Airport Operations requires that the aircraft leave the area. The period to be used for calculating this charge shall begin five minutes after such notice has been given.
- (c) \$100.00 for each 15-minute period or fraction thereof in excess of 30 minutes for the clean-up of fuel spills.

### Section 4. Public/Non-Exclusive Aircraft Parking Fees

Air Carriers using the Public/Non-Exclusive Aircraft Parking Areas shall be charged the following Aircraft Parking Fees:

- (a) Air Carriers shall be subject to the Aircraft Parking Fee for parking of Aircraft in Public/Non-Exclusive Aircraft Parking Areas.

	Length of Stay	Rate
Remote Public/Non-Exclusive Parking	0 - 6 Hours	\$ 250.00
	6 - 12 Hours	\$ 500.00
	12 - 24 Hours	\$ 1,000.00
	Second Day	\$ 2,000.00
	Third Day	\$ 3,000.00
	Fourth Day	\$ 5,000.00
	Length of Stay	Rate
Common Use Terminal Contact Gates	3 - 6 Hours	\$ 312.50
	6 - 12 Hours	\$ 625.00
	12 - 24 Hours	\$ 1,250.00
	Second Day	\$ 2,500.00
	Third Day	\$ 3,750.00
	Fourth Day	\$ 6,250.00

\* Parking charges are additive. Example: An aircraft parked for 3 days at a Remote position will pay \$6,750 (Third Day + Second Day + 24 Hr. + 12 Hr. + 6 Hr.). An aircraft parked for 3 days at a Common Use Terminal Contact Gate will pay \$8,437.50. (Third Day + Second Day + 24 Hr. + 12 Hr. + 6 Hr.).

The Fourth Daily Rate will apply for each full or partial day that the aircraft is parked thereafter.

- (b) Air Carriers shall submit a monthly report listing the MGLW, Aircraft Parking Area locations, dates and times their Aircraft were parked at LAX ("Monthly Parking Report"). Payment of Aircraft Parking Fees shall accompany each report.
- (c) Air Carriers receiving the benefits of the Alternative Limitation to Cap Holdroom Fees (New Cap) implemented on July 1, 2024 pursuant to the 2023 Amended and Restated Rate Agreement shall receive a monthly parking credit equaling to the product of (a) the number of approved virtual gates and (b) the days in each current month. The credit will be applied towards any charges incurred in the "3 - 6 Hours" column and the "6 - 12 Hours" column of the "Common Use Terminal Contact Gates" section in the Monthly Parking Report and will not exceed the lesser of 12 hours per day or the actual number of daily parking hours, subject to audit. Payment of Aircraft Parking Fees shall accompany each report.<sup>2</sup>

#### Section 5. United States Customs Facility

Air Carriers using the United States Customs Facility will be charged a Customs Facility Fee based on a Customs Facility Fee rate calculated by dividing (i) LAWA's costs for rent and maintenance and operation expenses of the Customs Facility<sup>3</sup>, and a fifteen percent (15%) administrative charge by (ii) the total number of entries made during each month by Air Carriers as reported by the United States Customs and Border Protection agency, or successor agency.

#### Section 6. Summary of Air Carrier Rate Setting Methodology Cost Centers

Cost centers mean those functions or physically discrete areas which are used to accumulate costs incurred by the Department to provide, maintain, operate, and administer LAX. There are two types of cost centers used in the cost of services methodology: (1) direct cost centers which are each related to a defined geographical area of LAX that serves a particular function and (2) indirect cost centers which are related to service type functions that support the direct cost centers. The following is a description of each direct and indirect cost center.

##### *Direct Cost Centers*

Airfield Cost Center – Airfield Cost Center is comprised of the land and facilities which support air navigation and flight activities, including Aircraft access to, and egress from, apron areas. Land and facilities include runways, taxiways, approach and clear zones, navigation and related easements, infield areas, safety areas, remote areas for public/non-exclusive aircraft parking positions and landing and navigational aids.

Apron Cost Center – Apron Cost Center is comprised of the land and paved areas primarily adjacent to passenger terminal buildings, but does not include aprons associated with general aviation, cargo, or Aircraft maintenance facilities.

Terminal Cost Center – Terminal Cost Center is comprised of the land and all passenger terminal buildings and other related and appurtenant facilities whether owned, operated, or maintained by LAWA. Facilities include the passenger terminal buildings located in the Central

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<sup>2</sup>Section 4(c) as applied to Public/Non-Exclusive Aircraft Parking Fees charged at Common Use Terminal Contact Gates for approved carriers paying the New Cap shall be effective July 1, 2023.

<sup>3</sup>The Customs Facility costs are deducted from operating expenses for the purpose of calculating the Landing Fee Rate.

Terminal Area (CTA), passenger terminal buildings located outside the CTA, associated concourses, hold rooms, passenger tunnels, and all other facilities which are integral parts of the passenger terminal buildings.

Aviation Cost Center – Aviation Cost Center is comprised of the land and facilities related to air cargo, general aviation, FBO operations, Aircraft fueling, exclusive parking positions, Aircraft maintenance, Air Carrier services, and other aviation-related activities.

Commercial Cost Center – Commercial Cost Center is comprised of the land and facilities not located in passenger terminal buildings which are provided for non-aeronautical commercial and industrial activities, including for example, public automobile parking, car rental service centers, golf courses, the Theme Building, and the Proud Bird Restaurant.

#### *Indirect Cost Centers*

General Administration – General Administration includes the general administrative and support costs related to providing, maintaining, operating and administering LAX which cannot be directly allocated to cost centers.

Access – Access includes the costs of providing, maintaining, operating, and administering facilities and services for on-LAX and off-LAX ground access for vehicles and pedestrians, including airside and landside access, and LAX access generally. It also includes the costs of increasing, preserving, or managing the throughput capacity of LAX's access facilities, that is, the volume of, and rate at which, users can be accommodated.

#### *Cost Elements*

Following is a description of the cost elements allocated to the direct and indirect cost centers:

Operating Expenses – Operating expenses include salary, employee benefit, material and supply, and contractual service expenses. The operating expenses used to calculate rates which are placed into effect at the beginning of a fiscal year reconciled back to the official operating budget document of the Department, subject to certain adjustments for items such as cost reimbursements, capitalized labor expense, and other items.

Capital Outlays – All expenditures for the purchase of equipment, vehicles and information technology systems and expenditures on maintenance, replacement and repair projects at the airports, appropriated annually as part of LAWA's operating budget authorization. Individual capital items whose local cost (i.e., cost net of PFCs, grants, and other contributed capital) are expensed for the calculation of landing fees, notwithstanding what treatment might be required for accounting or other purposes. Capital Outlay expenditures may be adjusted for outlays (net of PFCs, grants and other contributed capital) partially or wholly allocable the Terminal Cost Center pursuant to the Rate Methodology in effect at the time.

Debt Service – Debt service means the amounts related to principal and interest on debt obligations as required in debt contracts of the Department.

Amortization on Capital Outlays Costing \$100,000 or More – All individual assets whose local costs (i.e., asset cost net of PFCs, grants, and other contributed capital) are \$100,000 or more are subject to amortization.

Amortization means the amount necessary to recover the original capital investment (plus interest) over the life of the asset in the form of equal monthly payments. Amortization is

calculated over the useful life of each asset at an interest rate equal to the yield on 30-year Treasury securities as of December 31st.

Debt Service Coverage – Debt service coverage means the margin of safety for payment of debt service, reflecting the amount by which "earnings" must exceed "debt service" pursuant to the provisions of the debt contracts.

Required Deposits to Bond Accounts – Required deposits to bond accounts means the amount of annual deposits, if any, to funds and to accounts required under debt contracts which are obligations of the Department, e.g., operating reserve fund, reserve maintenance fund, debt service reserve fund.

Van Nuys Reliever Net Costs – Van Nuys Airport is the largest general aviation airport in the United States. The use of Van Nuys by general aviation increases the ability of scheduled Air Carriers to use LAX facilities. The net costs of the Van Nuys reliever airport mean the amount, if any, by which the costs of Van Nuys exceed its operating revenue and allocable non-operating revenue. The Van Nuys costs are comprised of the same cost elements used to determine LAX costs.

#### *Cost Allocation*

Operating Costs – The Department's cost accounting system tracks salary and material/supply costs to cost centers. Both labor time and material/supply costs are charged to these cost centers by individual employees. Direct salary and benefits expenses for each Division are tracked to the five direct and two indirect cost centers. Material and supply expense and equipment expense are charged to the division's organization cost centers and to location cost centers where material and supplies are used or services are rendered. Insurance premiums and City Special Services – Crash, Fire, and Rescue are singled out for special allocations.

Capital Costs – Projects and fixed assets records are analyzed to determine the projects (or assets) which have been financed by the Department from all sources of funds. The ratio of the cost of bond-funded assets by cost center formed the basis for allocating (1) debt service, (2) debt service coverage, and (3) required deposits to bond accounts for each outstanding debt obligation of the Department. Locally-funded projects are traced to individual cost centers to which the appropriate amortization expenses are assigned.

#### Cost Allocation Detail

Following is a detailed listing of the allocation basis for each cost element:

Cost Element	Allocation Basis
<u>Salaries and Benefits Expense</u> – For each Division	Direct charge to cost center where possible
<u>Material and Supply Expense</u> – For each Division	Direct charge to cost center where possible
<u>Contract Services Expense</u> – For each Division	Direct charge to cost center where possible
<u>Equipment and Vehicle Expense</u> – For each Division	Direct charge to cost center where possible

(table continued)

Cost Element	Allocation Basis
<u>Insurance Expense</u> - Fire & Extended - Boiler & Machinery - Property Liability & Property Damage	Distribution % from Risk Management - based on insured values of property - based on insured values of property - based on historical claims
<u>Required and Discretionary Reserves</u> - Debt Service Reserve - Debt Service Coverage - Deposit to Reserve for M&O	- Ratio of each series' bond Principal & Interest by cost center - Ratio of each series' bond Principal & Interest by cost center - Ratio of O&M expenses by direct cost center
<u>City Services-CFR</u> - Crash 80 - Other Flightline resources - Non-Flightline resources	- 100% Airfield - 100% Airfield - Ratio of insurance premiums
<u>Security Costs</u> - Airport Police, LAPD	- mainly based on deployment study agreed upon with airlines (Matrix study)
<u>Indirect Cost Centers</u> - General Administration - Access	- Ratio of O&M expense by cost center - Ratio of land area by cost center <sup>4</sup>

#### Landing Fee Calculation

Costs accumulated in the Airfield Cost Center are apportioned among all users of airfield based upon aircraft landed weight. Costs accumulated in the Apron Cost Center are apportioned by weight among all passenger airlines using the facilities in said cost center.

A mid-year review should be made by the Department of cost and operational information with the Board adjusting landing fees for the remainder of the year if the variances warrant such an adjustment. A landing fee calculation should be performed based upon actual expenses as soon as feasible following the close of the fiscal year. Reconciliation between actual expenses and budgeted landing fees will result in a variance that can be settled by invoice or credit to the users. Plane parking charges are not subject to reconciliation.

The Chief Executive Officer, or his or her designee, may elect to pay out reconciliation settlements to Air Carriers that have stopped operating or providing regular service at LAX, and whose LAX Air Carrier Operating Permits have expired or were terminated in good standing. Characteristics of Carriers in good standing may include, but are not limited to:

- Accounts without prior Faithful Performance Guarantee (FPG) drawdowns;
- Accounts with sufficient/active FPGs;
- Accounts without unpaid balances of more than 30 days; and
- Carriers that have not filed bankruptcy.

<sup>4</sup> Land areas were adjusted to equalize areas attributable to the Terminal and Airfield cost centers so that the allocation of Access costs would affect the Terminal and Airfield cost centers equally. Acreage adjustments are phased beginning Fiscal Year 2025 pursuant to Exhibit M of the 2023 Amended and Restated Rate Agreement at the discretion of Chief Executive Officer, or his or her designee.

Documentation concerning the landing fee calculation and other information relevant to the landing fee for Fiscal Year 2026 were provided to airline representatives and other stakeholders prior to this action; and

WHEREAS, the staff report, as amended, associated with this Resolution shall be incorporated by reference; and

WHEREAS, this action is exempt from the California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (31) of the Los Angeles City CEQA Guidelines; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted staff's determination that this action is exempt from the California Environmental Quality Act requirements; adopted the amended staff report; approved the schedule of Fiscal Year 2025-2026 rates and charges at Los Angeles International Airport effective July 1, 2025 through June 30, 2026; and approved rescission of Resolution 27970.

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I hereby certify that this Resolution No. 28187 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, June 5, 2025.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS