

LAX and VNY General Aviation Landing Fee Methodology

The document outlines the methodology used to compute airline landing fee rates at **Los Angeles World Airports (“LAWA”)**, comprising **LAX International (“LAX”) and VNY Airports (“VNY”)**.

Purpose

To ensure the long-term sustainability and modernization of the Van Nuys Airport (VNY) infrastructure, LAWA will be introducing a landing fee as of July 1, 2025. A landing fee is a charge that an aircraft operator or owner pays for landing at an airport. It is a cost recovery fee that is permitted under FAA policy.

Methodology

The VNY landing fee reimburses **Airfield** direct and indirect operating costs and the cost of capital projects and is designed using a common industry methodology. All fees will be established annually, based on the budget for the fiscal year, and then trued up, based on actual audited costs and activities.

Operating Costs: The airfield cost center includes land and facilities supporting air navigation and flight activities. LAWA’s enterprise resource planning software (“ERP”) can accrue costs via cost centers assigned to Van Nuys. Direct costs to the airfield include salaries, benefits, contractual services and equipment. Indirect **Administrative** costs are allocated to the airfield based upon the airfield’s relative share of expenses. General administrative and support costs are costs that cannot be allocated to direct cost centers.

Capital Costs: VNY capital project costs are collected through amortization. Projects are amortized based upon industry standard useful lives and added to the airfield requirement. VNY currently has no outstanding debt. Any potential future debt funded project costs for VNY will be allocated to the appropriate cost centers.

Fuel Fees: The total VNY airfield operating and capital costs are then reduced by fuel fee revenues.

The sum of the VNY airfield operating and capital costs, less fuel-fee revenues, is then divided by total landed weight at VNY to produce the Landing Fee Rate. To address concerns over costs and incentives between use of VNY and LAX, **LAWA will cap the VNY landing fee at the LAX Non-Permitted Landing Fee Rate.**

The following categories of aircraft activity are exempt from the Landing Fee:

- medical (Angel) flights
- military/government flights
- aircraft based at VNY except for commercial passenger operations conducted under Part 135

Exhibit A.1
Van Nuys General Aviation Landing Fee
Budget FY 2025

<u>Airfield Rate</u>		Budget 2025
Operating Expense + Equip/Vehicles		\$ 14,249,000
Capital Costs		
Amortization Expense		3,963,000
Debt Service Expense		-
Subtotal VNY Airfield Requirement		\$ 18,212,000
Less: VNY Fuel Fees		\$ (4,500,000)
Total VNY Airfield Requirement	[A]	13,712,000
Landing Units in 1,000s	[B]	1,671,500
<i>Calculated full recovery rate</i>	<i>[C=A/B]</i>	\$ 8.20
LAX Non-Permitted Landing Fee Rate (excludes Apron Fee) (a)	[D]	\$ 6.11
VNY Landing Fee Revenues	[E=BxD]	\$ 7,430,000
<i>% of Airfield Costs recovered</i>		54%

(a) Source: Draft FY 2025 Budget analysis