MEMORANDUM OF UNDERSTANDING BETWEEN
THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA
AND
THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY REGARDING
THE SAN DIEGO INTERNATIONAL AIRPORT MASTER PLAN

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made by and
between the San Diego County Regional Airport Authority ("Authority") and
Edmund G. Brown Jr., Attorney General of the State of California, acting in his
independent capacity on behalf of the People of the State of California ("Attorney
General"), collectively referred to herein as the "parties," based on the following
facts and considerations:

WHEREAS, the Authority and the Attorney General mutually desire that
future operations at the San Diego International Airport ("Airport") over which the
Authority has jurisdiction be conducted in a manner which reduces greenhouse
gas ("GHG") emissions that otherwise might occur; and

WHEREAS, pursuant to the San Diego Regional Airport Authority Act,
Public Utility Code Sec. 170000 et seq., the Authority is responsible for the
operation, maintenance and improvement of the Airport; and

WHEREAS, the Authority has been engaged for over four years in
studying a variety of means to maintain and improve the Airport so that it may
remain a strong contributor to the economy of the region, including public
outreach and collaboration with various local, regional and state agencies; and

WHEREAS, based on that effort, the Authority staff identified a number of
actions that might be beneficial to its mission, and incorporated those possible
actions into a draft Airport Master Plan ("Draft AMP"); and

WHEREAS, pursuant to the California Environmental Quality Act and
Guidelines ("CEQA"), the Authority prepared and on May 31, 2006 circulated for
a 150-day public/agency review and comment period a Draft Environmental
Impact Report ("May 2006 DEIR") for the Draft AMP; and

WHEREAS, as a result of the public comments received on the May 2006
DEIR, the Authority elected to broaden the scope of the May 2006 DEIR to
consider the potential environmental effects of the Draft AMP that might occur
through the year 2030; and

WHEREAS, the Authority so revised the May 2006 DEIR, and released
the revised version October 2, 2007 ("October 2007 DEIR"), and announced that
the public review and comment period on the October 2007 DEIR would extend to November 30, 2007; and

WHEREAS, at the request of a number of public agencies and community groups, the Authority twice extended the November 30, 2007 public comment period deadline on the October 2007 DEIR, first to January 4, 2008 and then to February 4, 2007; and

WHEREAS, in recognition of the new regulatory environment and reflecting the Authority’s commitment to full disclosure of the AMP’s environmental impacts, the October 2007 DEIR included a new section discussing and analyzing the existing GHG emissions from the operation of the Airport, and the GHG emissions that are likely to result from future growth in air travel to and from the Airport; and

WHEREAS, the Authority desires to ensure the environmental review process for the Draft AMP is completed in a timely manner and that litigation between the parties is avoided; and

WHEREAS, the Authority consistently is proactive in addressing environmental concerns before statutes or regulations have been adopted to impose specific controls or requirements, as evidenced by its Sustainability Policy and other Authority programs; and

WHEREAS, the Attorney General of the State of California serves as the chief law officer of California and in that capacity, is charged with enforcing the laws safeguarding the State’s environmental and natural resources; and

WHEREAS, the Attorney General is committed to the successful implementation of AB 32 and reducing GHG emissions throughout California; and

WHEREAS, the Attorney General believes that, as reflected in the latest reports of the Intergovernmental Panel on Climate Change, global warming presents profoundly serious challenges to California and the nation, and that actions taken now and in the next few years with respect to assessing and limiting GHG emissions will determine our future; and

WHEREAS, no existing regulations govern GHG emissions from aircraft, although, in December 2007, the Attorney General petitioned the Environmental Protection Agency to undertake a rulemaking under the Clean Air Act to propose and adopt regulations setting emissions standards to control and limit GHG emissions from aircraft; and

WHEREAS, the Parties recognize that although under state law the Authority is responsible for managing the Airport, federal law imposes certain
limitations on the Authority, including its use of airport revenue and its authority to regulate the activities of air carriers and the operation of aircraft; and

WHEREAS, after conducting a series of workshops and receiving public testimony, the Authority adopted a Sustainability Policy on February 7, 2008 which will serve as the foundation for a sustainable growth strategy which commits the Authority to implement practices that will allow it to meet the transportation and other needs of the present generations without compromising the environment for the benefit of future generations; and

WHEREAS, the Attorney General and the Authority desire to enter into this MOU in recognition of the mutual commitment of the Attorney General and the Authority to ensure meaningful and constructive consideration of GHG emissions and actions to reduce such emissions, and in light of the Authority’s forward-looking and ground-breaking commitment to protect the environment as evidenced by its Sustainability Policy and by entering into this MOU; and

WHEREAS, the Authority intends to work collaboratively with other airports in the State of California and with airlines, directly and through the Air Transport Association, to facilitate implementation of measures to address GHG emissions related to airports (including those set forth in this MOU) in a consistent, cost-effective manner.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions, the Authority and the Attorney General enter into and agree to this Memorandum of Understanding:

Section 1. Implementation of Specific Measures to Control GHG Emissions.

1. Specific Measures. In accordance with this MOU the Authority will implement the specific measures described more fully in Exhibit A to limit the GHG emissions generated by the operation of the Airport, and particularly the implementation of the AMP ("Specific Measures"), following these principles:

   a. Specific Measures will be implemented in a manner that does not disrupt the on-going operations of the Airport; violate federal law, regulations, or an FAA policy or rule published in the Federal Register after an opportunity for public notice and comment; interfere with the directions or instructions of an FAA air traffic controller; or compromise the safety of the traveling public, the airport, or aircraft. If the Airport believes that a Specific Measure cannot be implemented consistent with this provision, than it shall notify the Attorney General, and the parties shall confer in good faith.
b. Subject to the other applicable provisions of this MOU, each
Specific Measure shall be implemented to the extent that such
measure produces a meaningful net reduction in GHG
emissions that otherwise would result from the construction of
the AMP or operations at the Airport. If the Airport believes that
a Specific Measure will not produce a meaningful net reduction
in GHG emissions, it shall notify the Attorney General, and the
parties shall confer in good faith. The parties shall seek to
agree upon an alternative or modified Specific Measure that
achieves a meaningful net reduction in GHG emissions for
approximately the same cost to the Authority as the original
measure. Alternatively, by mutual agreement, a Specific
Measure may be omitted.

2. Cooperation with Regulatory Agencies. The Attorney General and the
Authority recognize that the implementation of the AMP and the terms
of the MOU, including the Specific Measures, will require the approval
and cooperation of federal, state, regional and local agencies, and
therefore agree to cooperate in the implementation of the MOU so that
its benefits might be attained, including, as necessary, adjustments to
specific details of the implementation of the Specific Measures to meet
the statutory or regulatory requirements imposed by such agencies,
acting within the respective authority of each, which adjustments shall
be embodied in a writing signed by both parties.

Section 2. Covenant Not to Sue or Otherwise Challenge the AMP EIR.

1. Covenant Not to Sue. In consideration of the Authority’s commitment
to implement the Specific Measures, and subject to Section 2.2, the
Attorney General agrees that it will not make any comment on, file a
legal challenge against, or otherwise intervene against the Authority in
any suit challenging the adequacy of the EIR for the AMP, including
the adequacy of mitigation measures identified in the EIR.
Notwithstanding the preceding, the Attorney General does not waive
any right to file an *amicus curiae* brief in a state or federal appellate
court that addresses the legal requirements of CEQA or any other
state or federal law. In the event the Attorney General files such a
brief, it will expressly not take a position on the legal adequacy of the
EIR. This section shall not restrict any constitutional or statutory
obligation of the Attorney General, upon the request of a state agency,
board, or commission, to represent such agency, board or commission
as a client.

2. Termination of MOU in Event of Other Agency Litigation. In the event
litigation is timely commenced by any public agency, including an
agency for which the Attorney General is acting as counsel, that
challenges the adequacy of the EIR for the AMP or mitigation measures identified in the EIR, the Authority shall have the right to terminate the MOU, subject to the following conditions:

a. Within 30 days after the litigation is commenced, the Authority shall send written notice to the Attorney General that it is considering exercising its right to terminate this MOU;

b. Within 10 days after receiving such notice, the parties shall meet and confer;

c. Within 45 days after the litigation is commenced, or longer with the Attorney General's written consent to extend this period, the Authority shall serve a notice on the Attorney General of its election to terminate the agreement; and

d. If the Authority so elects to terminate this MOU, the Authority shall not assert any statute of limitations or laches against the Attorney General to prevent the Attorney General from pursuing any claim or remedy it might have had at the time the MOU entered into effect, so long as it files such action within thirty days after receiving notice of termination of the MOU.

e. If the Authority so elects to terminate this MOU, the Authority shall have no obligations whatsoever under this MOU except for the obligation set forth in the previous subsection (2.2.d).

Section 3. Dispute Resolution.

1. Good Faith Efforts to Resolve Disputes. The parties shall attempt in good faith to resolve any controversy or claim arising out of or relating to this MOU. If a controversy or claim should arise that cannot be resolved by the respective staffs, the President, or delegate, of the Authority and the Attorney General's delegate, (collectively, the "Representatives") will meet at least once in person and, in addition, at least once in person or by telephone to attempt to resolve the matter. The Representatives will make every effort to meet as soon as reasonably possible at a mutually agreed time and place.

2. Modifications. No addition to or modification of any term or provision of this MOU will be effective unless set forth in writing and signed by an authorized representative of each party.

Section 4. Compliance with Law. The parties recognize that their respective commitments and covenants are subject to applicable requirements of law, including those identified in this Section 4.
1. **CEQA.** It is the parties’ good faith belief that this MOU does not constitute a project within the meaning of CEQA and its Guidelines. The implementation of specific measures described in this MOU shall be subject to review and approval pursuant to the requirements of CEQA and its Guidelines.


The parties further have considered that the Authority has received numerous federal Airport Improvement Project (“AIP”) grants over the years and that a condition to receiving federal grant funds is the following grant assurance Number 25: “All revenues generated by the airport . . . will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport.”

The parties have considered these provisions, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with those policies, statutes, and assurances.

**Compliance with Federal Rates and Charges Policy.** The parties have considered the FAA’s Policy Regarding Airport Rates and Charges, 61 Fed. Reg. 31994, dated June 21, 1996, a policy adopted pursuant to the Federal Aviation Administration Authorization Act of 1994, P.L. 103-305 (Aug. 23, 1994), 49 U.S.C. §47129. The parties have considered these provisions, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with such policy.

3. **Effect of MOU on Future Boards.** Except as expressly stated herein, nothing in this MOU shall be construed as a waiver of any party’s discretionary authority or deemed to restrict authority granted to any
party under law in any way with respect to future legislative, administrative or other actions, including but not limited to those actions related to the AMP.
Section 5. Effectiveness

This MOU shall become effective upon the final approval of both the Attorney General and the Board of the Authority, and the execution of the MOU.

Section 6. No Admissions

Neither this MOU nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be asserted to constitute or be construed as an admission or concession by either party of any fact or legal assertion.

Section 7. General Terms and Conditions.

1. Public Announcement. Upon final approval and execution of the MOU by both the Attorney General and the Authority, the parties shall simultaneously make available to the public the terms of this MOU.

2. Time of Performance. The actions necessary to achieve the objectives of this MOU shall be completed in a timely manner.

3. Full Cooperation. The Authority and the Attorney General agree to cooperate with each other and to provide each other with all necessary documents (subject to any privileges or other legal restrictions that may apply) when requested. Each party will use its best efforts to achieve the objectives of this MOU, consistent with its legal obligations and applicable law.

4. Independent Capacity. The Attorney General enters into this MOU in his independent capacity and not on behalf of any other state agency, commission, or board. Nothing in this MOU restricts any constitutional or statutory obligation of the Attorney General, upon the request of a state agency, board, or commission, to represent such agency, board or commission as a client.

Recognition of Financial Limitations. The parties acknowledge that the Authority is not a tax supported public entity and that its source of funds is limited to airport revenues, federal AIP grants and Passenger Facility Charges. They also acknowledge that the federal AIP grants and Passenger Facilities Charges are subject to, among other things, Congressional control and FAA administrative discretion. The parties have considered this, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with any restrictions.
on the Authority's use of airport revenues, federal AIP grants, and Passenger Facility Charges.

5. **Notice.** Any notice required or permitted by this MOU shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally, (b) by overnight courier upon written verification of receipt, or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing:

If to the Authority:

   Thella F. Bowens, President/CEO  
   San Diego County Regional Airport Authority  
   P.O.82776  
   San Diego, CA 92138-2776  
   Tel.: (619) 400-2444; FAX: (619) 400-2448

If to the Attorney General:

   Deputy Attorney General Susan Durbin  
   Deputy Attorney General  
   1300 I Street  
   Sacramento, CA 95814  
   Tel.: (916) 324-5475; FAX: (916) 322-5609

6. **Enforceability.** The parties desire to ensure the terms of this MOU are completed as described herein. Neither party shall be liable to the other for any claimed costs or damages arising from a claimed non-performance of any provision of this MOU.

7. **Partial Invalidity.** If any term, covenant, condition, or provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.

8. **California Law.** This MOU shall be governed by and construed in accordance with the laws of the State of California.

9. **Rule of Construction.** This MOU shall be deemed to have been jointly drafted, so that the general rule of construction that it be construed against the drafter shall not apply.
10. Signatures. This MOU may be executed in counterparts, each of which shall be deemed an original. This MOU shall be binding upon the receipt of original or electronic signatures.

11. Entire Agreement. This MOU represents the entire agreement of the parties with respect to the subject matter herein, and supersedes any prior written or oral representations, discussions, or understandings between the parties relating to the subject matter of this MOU.

The undersigned have read this Memorandum of Understanding, fully understand its contents, and by the signatures below agree to its terms on behalf of their respective public agencies.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By: Thelia F. Bowens
President and CEO

ATTORNEY GENERAL, STATE OF CALIFORNIA

By: Edmund G. Brown Jr.
Attorney General

APPROVED AS TO LEGAL FORM

By: Breton K. Lobner
General Counsel MAY 5 2008
EXHIBIT A
SPECIFIC MEASURES

1. Reduction in Aircraft On-the-Ground Energy Usage.

a. Landside Power and Preconditioned Air at All New Gates. All new gates constructed under the Master Plan will provide landside power and preconditioned air to aircraft at such gates. The Authority will operate those new gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to constructing the new gates, the Authority will ask airlines that will use the new gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.

b. Retrofit Existing Gates with Landside Power and Preconditioned Air. As the Airport or its tenant reconditions or refurbishes existing gates, it will retrofit such existing gates as do not already provide landside power and preconditioned air to aircraft at the gate to provide such power. The Authority will operate those reconditioned or refurbished gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to refurbishing existing gates, the Authority will ask airlines that will use the gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.

c. Provision of Landside Power at All New Cargo Facilities and Hangars. All new cargo facilities and hangars constructed under the AMP will be equipped to provide electrical power to aircraft at such facilities and hangars. The Authority will operate its new cargo facilities and hangars and cause others that construct new cargo facilities and hangars to operate them to make such power available to aircraft at such cargo facilities and hangars.

d. Retrofit All Existing Cargo Facilities and Hangars with Landside Power. As the Airport or its tenants recondition or refurbish existing cargo facilities and hangars, the Airport will require retrofitting all such cargo facilities or hangars to provide landside power to aircraft at such cargo facilities or hangars. The Authority will operate its reconditioned or refurbished cargo facilities or hangars and cause others that recondition or retrofit cargo facilities and hangars to operate them so as to make such power available to aircraft at such cargo facilities or hangars.
Cargo and General Aviation Aircraft Use of Landside Power. As the Airport or its tenant reconditions or refurbishes existing gates at its cargo and general aviation facilities, it will retrofit such existing gates as do not already provide landside power and preconditioned air to aircraft at the gate to provide such power. The Authority will operate those reconditioned or refurbished gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to refurbishing existing gates, the Authority will ask airlines that will use the gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.

Aircraft Movements. The Authority will prepare an inventory of those greenhouse gas emissions attributable to the movement of aircraft at the Airport that it expects in 2010. The Authority will then establish a goal to reduce, by 2015 and with due regard to regulations to be issued pursuant to AB 32, annual GHG emissions levels by an amount equivalent to 20% of the emissions in 2010 from the movement of aircraft. Toward that end, by January 1, 2010, the Authority will prepare and make available to the public a study, with or without the participation of the airlines and the FAA, to identify and evaluate techniques to reduce fuel consumption and GHG emissions during all stages of aircraft movements at the Airport. The study shall recommend specific measures to achieve such reductions, based on an assessment of technical, economic, environmental and safety issues associated with the measures. The Authority will then investigate and attempt to implement meaningful incentives or other programs to encourage the use of those measures that were studied and recommended for implementation.

Reduction of Landside Energy Usage

Replacement of Existing Tow Vehicles With Electric or Alternative Fuel Aircraft Pushback Tractors.

Beginning January 1, 2010, the Airport will replace all existing aircraft pushback tractors it currently owns with electric or alternative fuel vehicles upon the completion of the useful life of such existing vehicles, to the extent such vehicles are commercially available. Prior to January 1, 2010, the Airport will continue to replace tow vehicles in the ordinary course, consistent with its past purchasing practices. As used in this MOU, “alternative fuel vehicle” means a vehicle that runs on an energy source, fuel or blend...
of fuels that achieves a reduction of at least 10 percent carbon intensity relative to petroleum fuel, as contained in Governor Schwarzenegger’s Executive Order S-01-07.

ii. Beginning January 1, 2010, the Airport will require every airline or other tenant or service provider to replace all existing aircraft pushback tractors which such airline, tenant or service provider currently owns or operates with electric or alternative fuel vehicles upon the completion of the useful life of such existing vehicles, to the extent permitted by federal law and to the extent such vehicles are commercially available.

iii. Should such alternative fuel vehicles not be commercially, and reasonably, available, the parties shall confer in good faith to negotiate a deferral of this provision until such time as the vehicles are so available.

b. Replacement of Shuttles with Electric or Alternative Fuel Vehicles. The Airport will implement one of the following alternatives at its discretion:

i. By January 1, 2010, before the first elements of the AMP construction will be placed into service, the Airport will implement an incentive-based program to induce every operator of a shuttle service (e.g., hotel, door-to-door, parking) on the Airport to replace its existing shuttle vehicles which such operator at that time owns or operates with electric or alternative fuel shuttle vehicles upon the completion of the useful life of such existing shuttle vehicles.

ii. As an alternative to such an incentive-based program, by January 1, 2010, the Airport shall impose a requirement on every operator of a shuttle service on the Airport to replace its existing shuttle vehicles which such operator then owns or operates with electric or alternative fuel shuttle vehicles in accordance with the following provisions, to the extent permitted by federal law:

1. Operators that own and operate from 1 to 3 shuttles shall replace all existing vehicles by January 1, 2015.

2. Operators that own and operate 4 or more shuttles:
   b. January 1, 2013: 50% of existing vehicles.
c. January 1, 2014: 75% of existing vehicles.

d. January 1, 2015: 100% of existing vehicles.

iii. Implementation of either of these alternative measures shall be subject to the Authority’s determination of commercial availability of equipment and adequate refueling infrastructure. If the Authority determines that such equipment is not commercially available or that there is not an adequate refueling infrastructure, then it shall provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.

iv. The Authority shall make reasonable good faith efforts to assist shuttle operators to obtain grant funding or other concessionary financing that would enable such operators to replace existing vehicles more rapidly than is contemplated by the above schedules.

3. Use of Green Materials and Sustainable Design

a. Use of Cool Roofs (or Solar Panels) and Cool Pavements. The Authority will incorporate into AMP construction, to the extent feasible, including reasonable commercial availability of materials, the use of cool roofs (or rooftop solar panels) on all new buildings, and construct cool pavements for newly constructed paved or rebuilt paved areas that carry traffic, to the extent permitted by federal law and state contracting law.

i. The Authority currently estimates that it will be feasible for approximately 80% of the pavement that is part of the AMP to be constructed as cool pavement. If the Authority determines that less than such percentage can be constructed as cool pavement, it will provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.

ii. The Authority currently intends to specify that all of the roofs under the AMP should be constructed as cool roofs. If the Authority determines that some of the roofs or portions thereof cannot be constructed as cool roofs, it will provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.
b. Construct All New Facilities to Meet LEED Certification (or equivalent), With a Target of Silver or Better. The Authority will seek to have all new terminal buildings constructed under the AMP achieve LEED certification with a target of Silver or better (or equivalent certification from a different certifying entity) to the extent feasible and to the extent permitted by federal law and state contracting law. This requirement shall not apply to facilities under the control of the United States Government. As to hangars or warehouses, if special LEED (or equivalent) procedures and standards are adopted to apply to such structures at airports, then the Authority will seek to have such structures achieve LEED certification with a target of Silver or better (or equivalent certification from a different certifying entity) or better, to the extent feasible and to the extent permitted by federal law and state contracting law.

4. Use of Green Construction Methods and Equipment.

a. Use of Construction Equipment Running on Alternative Fuels or Particulate Traps. The Authority will require that firms performing AMP construction use equipment that either runs on alternative fuels or employs ARB-certified particulate traps, to the extent permitted by federal law and state contracting law, for construction projects for which the Authority determines that such equipment is commercially available. If the Authority determines that it will not require use of such construction equipment, it will provide a detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public. In such event, the Authority also will impose a limitation of five minutes on idling of such equipment.

5. Coordination and Encouragement of Tenants to Address GHG

a. Recycling. The Authority will continue to expand its existing aggressive recycling program for which it has been recognized by US EPA for its accomplishments, and named as Recycler of the Year by the City of San Diego for the last 5 years. These programs extend to the Airport, all tenants, businesses and concessions operating at the Airport and, to the extent permitted by federal law, all airlines.

b. Sale of Unleaded Mogas. The Authority will encourage the present operator of the general aviation facility to offer mogas for those planes that can run on unleaded mogas. When the Authority undertakes a process for seeking new operator(s) of general aviation services, it will include as a requirement that such operator(s) offer unleaded mogas.
c. **Reduction of Carbon Footprint.** In implementing its Sustainability Policy, the Authority will work with all tenants, businesses, and concessions operating at the Airport to reduce their carbon footprints.