



Los Angeles
World Airports

July 6, 2020

The Honorable Paul Koretz
Councilmember, Fifth District
City of Los Angeles
Los Angeles, CA 90012

The Honorable Mike Bonin
Councilmember, Eleventh District
City of Los Angeles
Los Angeles, CA 90012

RE: Council File 19-1586 – Rental Car Electric Vehicles

LAX

Van Nuys

City of Los Angeles

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Karim Webb

Justin Erbacci
Interim Chief Executive Officer

Dear Councilmembers Koretz and Bonin:

This is to provide Los Angeles World Airports' (LAWA) response to your motion introduced on December 11, 2019. In that motion, you recommend several measures to increase the use of electric vehicles (EVs) in the Los Angeles rental vehicle market, and to increase the availability of EVs at Los Angeles International Airport (LAX).

LAWA has been and remains a strong proponent of electric transportation. In addition to now building a state-of-the-art electric Automated People Mover (APM), LAWA has aggressively added zero-emission vehicles to its fleet and increased the number of EV chargers on campus over the last several years. We have procured 20 all-electric articulated airfield buses and added 96 Chevrolet Bolt EVs to the LAWA sedan fleet. We now have more than 190 EV chargers available to guests and employees in the parking structures and at LAWA's administration buildings. We are building an Intermodal Transportation Facility that will have EV chargers, along with infrastructure to support chargers for up to 37% of its more than 4,000 parking spaces. We also have pursued aggressive policies to reduce emissions from ground service equipment (GSE), a significant mobile emissions source operated by airlines and their contractors, including a zero-emission GSE incentive program to encourage operators to transition to zero-emission GSE faster.

A team is currently constructing the LAX Consolidated Rent-a-Car facility (ConRAC) under a contract approved by the Los Angeles City Council in October 2018. We are grateful for your support of this project that, together with the APM train and the Intermodal Transportation Facilities, will transform how people access LAX and reduce traffic in the surrounding area.

LAWA and its contractor team are building a ConRAC that includes EV chargers for employees at the outset and that is "EV-Ready" for the future development of the EV rental car market. Under the ConRAC development contract, we will initially install 224 chargers for ConRAC and airport employees and visitors, far surpassing any current building code requirements.



Furthermore, the facility is being built to support significant additional EV infrastructure. Specifically, the site is being designed to allow for installation of future electric capacity to support up to 2,500 Level 2 chargers for the rental car companies (RACs), including 725 chargers for ConRAC and airport employees and visitors. Approximately 2,500 Level 2 chargers would support an estimated 15,000 rental vehicles on a peak day.

However, the facility will not initially include chargers for EV rental cars. As you will recall, the ConRAC is being developed under an agreement with the RACs, who do not see an immediate near-term market for EVs. Specifically, the RACs note the following challenges to utilization of EVs:

- the higher cost and lack of resale value for EVs results in higher rental car charges to customers;
- EV charging has a significant impact on vehicle turnaround times as many rentals are one-way, EV infrastructure is required at several facilities and not just LAX.
- consumers express concerns regarding EV vehicle size and the lack of availability of charging stations on the road.

The RACs would need to approve the installation of thousands of chargers as a costly modification to the facility, and they are unlikely to do so given both the above concerns and the massive hit to the industry that has resulted from the COVID-19 pandemic. The uncertainty facing the rental car industry and the aviation industry as a whole is far greater than we all faced post-9/11 or after the last recession. LAWA is facing current and ongoing fiscal conditions that were never before seen or anticipated. With LAX passenger numbers down more than 85% compared to the same date last year, the RACs are seeing the same impact on their market. Moreover, Customer Facility Charges collected on car rentals are a key source of funding for the ConRAC project, and these have similarly slowed.

We remain excited about the environmental benefits from our LAMP program, and the ConRAC in particular. Please be assured that we will continue to look for opportunities to invest in EV infrastructure and to spur the EV rental car market. We look forward to delivering a project that is convenient and well-suited to the needs of Los Angeles' visitors. Please contact me or Mark Adams at (424) 646-5114 or madams2@lawa.org if you need more information on this subject.

Sincerely,



Justin Erbacci
Interim Chief Executive Officer

JPE:MDS:MSA

cc: Honorable Joe Buscaino, Chair, Trade, Travel, and Tourism Committee