

**MEMORANDUM OF AGREEMENT
("MEMORANDUM")**

I. Parties

This Memorandum of Agreement ("Memorandum") is entered into between the Texas Natural Resource Conservation Commission ("TNRCC") and the Dallas/Fort Worth International Airport Board ("the Board"), collectively, "the Parties."

II. Intent and Purpose

The intent of this Memorandum is to memorialize the agreement between the Board and the TNRCC to reduce emissions of oxides of nitrogen (NO_x) at DFW Airport. The Board is reducing emissions by 1.305 TPD in order to assist the airlines in obtaining an overall ninety percent (90%) reduction of NO_x emissions of ground support equipment by agreeing to provide emission reductions from other sources at DFW Airport in an amount necessary to cover the difference between the ninety percent (90%) reduction required by the TNRCC and the lower percentage reduction proposed by certain airlines. The Parties enter into this Memorandum of Agreement for the purpose of making the Board's reduction in emissions of NO_x a part of the Texas State Implementation Plan ("SIP").

III. Definitions

As used in this Memorandum, the following terms have the meanings given below:

- (A) "EPA" shall mean the United States Environmental Protection Agency.
- (B) **AGround Support Equipment** or **AGSE** shall mean equipment that is used to service aircraft during passenger, baggage and/or cargo loading and unloading, maintenance, and other ground-based operations as identified in the SIP.

(C) "TPD" shall mean tons per day.

IV. Background

(A) The four (4) county region of the Dallas/Fort Worth area has been designated as a serious non-attainment area for ozone by the EPA.

(B) Under Section 110 of the Federal Clean Air Act, 42 U.S.C. ' 7410, each state that has a non-attainment area must submit a plan to the EPA demonstrating strategies to come into compliance with the National Ambient Air Quality Standards ("NAAQS").

(C) Section 110 of the Federal Clean Air Act, 42 U.S.C. ' 7410 also requires Texas to submit to the EPA for approval any SIP revisions and to demonstrate that such SIP revisions will assist the Dallas/Fort Worth non-attainment area in reaching the NAAQS.

(D) DFW Airport, which is owned by the cities of Dallas and Fort Worth and operated by the Board, consists of one or more sources as defined in Tex. Health & Safety Code ' 382.003(12).

(E) TNRCC has calculated that the projected total 2007 NO_x emissions from GSE in the Dallas/Fort Worth ozone nonattainment area is 6.8 tpd.

(F) On April 19, 2000, the TNRCC Commission adopted a SIP revision for the Dallas/Fort Worth nonattainment area. The SIP revision includes a rule which requires a ninety percent (90%) reduction of NO_x emissions from GSE (the GSE Rule). In order to reduce GSE emissions by ninety percent (90%), there must be a reduction of 6.12 tpd of NO_x in the non-attainment area.

V. Obligations of Parties

(A) The Board agrees as follows:

1. In accordance with the terms of this Memorandum, the Board agrees to implement the following strategies to obtain reductions in the NO_x emissions at DFW Airport by December 31, 2004:

a. busing operations to and from a consolidated rental car facility which are estimated, in accordance with Attachment A, to achieve a NO_x emission reduction of 0.895 TPD;

b. use of thirty compressed natural gas busses to transport airport patrons to and from Board-controlled airport parking which is estimated, in accordance with Attachment A, to achieve a reduction in NO_x emissions of 0.163 TPD; and

c. use of sixteen compressed natural gas employee busses to transport airport and airline employees to and from Board-controlled employee parking which is estimated, in accordance with Attachment A, to achieve a reduction in NO_x emissions of 0.231 TPD.

2. The Board agrees that any vehicle added to a fleet identified in paragraph 1 above will have a NO_x emission rate equivalent to or lower than a comparably-sized natural gas vehicle.

3. The Board agrees to identify by May 1, 2002 strategies to achieve an additional 0.016 TPD which would be implemented by December 31, 2004. Together with the strategies identified paragraph 1 above, the reductions achieved by the Board are estimated to total 1.305 TPD. If any of the strategies identified herein are already counted as part of a Voluntary Mobile Emission Program (VMEP) in the SIP, in whole or in part, the Board agrees to identify replacement strategies to achieve the amount already counted.

4. This Memorandum shall constitute neither a constraint on the number of vehicles in any ground transportation fleet operated at DFW Airport nor a constraint on the annual vehicle miles traveled by such vehicles. The Board may comply with all or any part of its commitments through the

use of NOx emission control measures which have been achieved within the non-attainment area, or the purchase of NOx emission reduction credits or offsets, as long as such actions are creditable pursuant to the TNRCC Emission Banking Program as defined in 30 TAC § 101.29, or successor regulations, and the Board can reasonably demonstrate that such measures have resulted in NOx emission reductions at least equal to those required or expected for the commitment being substituted. The Board shall provide documentation sufficient to demonstrate the NOx reductions achieved by the strategies listed herein. The Board agrees to provide additional documentation as needed for submittal to EPA.

(B) TNRCC agrees as follows:

The TNRCC agrees to support this Memorandum as a revision to the SIP and to recommend that the Governor submit it as such to the EPA.

The TNRCC will not require the Board to regulate the activities of entities that use DFW Airport.

VI. Term

The term of this Memorandum shall begin upon signature and approval by all Parties and shall expire on December 31, 2007 unless sooner terminated by mutual written consent of both Parties or as allowed herein.

Either Party may terminate this agreement in the event that EPA does not agree to incorporate this Memorandum of Agreement into the SIP or disapproves the DFW attainment demonstration in the SIP of which this agreement is a part.

The Board may terminate this agreement if, after July 1, 2001, an agreement to provide reciprocal emission reductions at each passenger hubbing airport in the Dallas/Fort Worth non-attainment area is not in effect as to at least one hub airline affected by the SIP revision described in IV.(F).

VII. Miscellaneous

This Memorandum represents the entire agreement between the TNRCC and the Board and supersedes all other agreements, understandings or commitments, written or oral relative to the subject matter of this Memorandum.

This Memorandum may not be amended or modified except pursuant to a mutual written agreement executed by each of the Parties.

This Memorandum shall be governed by and interpreted in accordance with the laws of the State of Texas, without giving effect to the conflicts laws thereof.

Both Parties represent they have authority to enter into this Memorandum, including the authority granted in the Texas Government Code Chapter 791, Interlocal Cooperation Contracts, and upon approval of the TNRCC Commission, it will be binding on both Parties.

In Witness Whereof, TNRCC and the DFW Airport Board, by their authorized officers, have made and executed this Memorandum in multiple copies, each of which is deemed an original.

Texas Natural Resource Conservation Commission
“TNRCC”

By: _____
Name: Jeffrey A. Saitas, P.E.
Title: Executive Director

Date

Dallas/Fort Worth International Airport Board
“The Board”

By: _____
Name: Jeffrey P. Fegan
Title: Chief Executive Officer

Date

PASSED AND APPROVED at the regular meeting of the Texas Natural Resource Conservation Commission on _____.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

For the Commission