

**Seattle-Tacoma Aviation Biofuels Task Force
Memorandum of Understanding**

I. Introduction

This Memorandum of Understanding (“MOU”) is made and entered into on this _____ day of _____, 2015, by and among the parties listed below. These parties are collectively referred to as the Seattle-Tacoma Aviation Biofuels Task Force (“Task Force”), and individually as “Members.”

1. Alaska Airlines, Inc., on behalf of itself and its affiliates (“Alaska Airlines”)
2. The Boeing Company (“Boeing”)
3. Port of Seattle (“Port”)

Additional parties may be added at a later date upon written approval of all Members.

Each Member has stated goals to reduce aviation-related emissions and to facilitate the use of sustainable alternative aviation fuels (“biofuels”), as described below. Formation of the Task Force allows Members to work collectively to advance such goals and accelerate use of biofuel in the Pacific Northwest Region.

- The Century Agenda of the Port of Seattle Port Commission includes a goal to reduce aviation-related emissions at Seattle-Tacoma International Airport (“Airport”) by 25%. As the Port does not directly control aviation emissions, achieving this goal will require partnership with the airlines. Building the infrastructure required to deliver a commercial supply of biofuel to the Airport will incentivize airline use of such fuels.
- Alaska Airlines, the airline with the most flights at the Airport as of the date of this MOU, has goals to reduce aircraft emissions by 20% per revenue passenger mile compared to a 2012 baseline and to use biofuel at one or more of their airport locations by 2020. The Airport is Alaska Airlines’ first choice of locations in pursuing its biofuel goal.

Alaska Airlines was the first domestic airline to fly multiple scheduled commercial flights using biofuel in 2011 and expects to fly the first commercial demonstration flight using Alcohol-to-Jet in 2016 (assuming American Society for Testing and Materials approval). Alaska Airlines is the recognized industry leader in emission reductions and has been named the most fuel efficient airline by the International Council on Clean Transportation for the past five (5) years. In addition, Alaska Airlines has invested approximately \$350,000 in batch-scale biofuel purchases to demonstrate its commitment to advancing the industry.

- Boeing, the largest private employer in the State of Washington, has been producing airplanes in the Puget Sound for over 100 years. Boeing’s dedication to this region is clear — it has started to build the single- aisle 737 MAX - with a backlog of more than 3,000 airplanes in the Puget Sound.

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Boeing extends this commitment to promoting the commercialization of aviation biofuel in Puget Sound. In 2011, Boeing partnered with Alaska Airlines, the Port, Washington State University, and other stakeholders to produce a roadmap for aviation biofuel. Boeing participates in a number of federally-funded biofuel initiatives focused on the State of Washington, including the FAA Center of Excellence and Northwest Advanced Renewables Alliance.

II. Scope

The purpose of this MOU is to define (1) a roadmap for the delivery and use of aviation biofuels at the Airport, including the infrastructure required to do so and (2) the authority and responsibilities of the Members to develop that roadmap. Under this MOU, the Members will develop a scope of work and direct an Aviation Biofuels Infrastructure Feasibility Study (“Study”) to identify the best approach to deliver blended biofuel to the Airport. The Study will include, but not be limited to:

1. Evaluation of biofuel transportation options to bring fuels to the Airport including barge, rail and truck. The evaluation will focus on short term and long term solutions and contemplate biofuel supply located within the Pacific Northwest, Midwest and Gulf States.
2. Document options for “receiving” storage on Harbor Island, WA (“HI”) including required storage capacity, opportunity to lease existing excess storage capacity, and building new required storage capacity.
3. Evaluate land availability proximate to the Olympic Pipe Line Co.’s (“Olympic”) delivery pipeline and potential for the Port to purchase that land, should Port ownership be a more cost-effective means of handling the biofuels.
4. Determine if Olympic’s delivery pipeline from Renton, WA to HI may be reversed to deliver biofuel from HI to Renton, WA.
5. Document what improvements or changes, and associated costs, would need to take place at Olympic’s facility in Renton, WA to support biofuel storage and blending.
6. Determine how much and what kind of facility (e.g., receiving tank and/or blending tank) is needed at the Airport’s fuel tank farm.
7. Determine financing options available that consider the Port’s current contract with SEATAC Fuel Facilities LLC (“Consortium”).

III. Responsibilities of Members

Port

1. The Port shall serve as the project manager for the Study and, in that capacity, on behalf of and in consultation with the other Members, will develop the scope of work and procurement of a consultant for the Study.

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2. The Port shall select one or more qualified consultant(s) (“Consultant”) to conduct the Study. The Members shall provide input to the Port in the consultant selection process. The Port shall negotiate and execute a contract with the Consultant.
3. As among the Members, the Port will pay all costs of the Study, including all Consultant invoices and will recover all such costs through the rates and charges provisions of the 2013-2017 Signatory Lease and Operating Agreement.
4. Subject to the outcome of the Study, the Port may propose to the other Members the development of an agreement for infrastructure installation and biofuel purchases prior to making a final recommendation to the Port Commission.

Alaska Airlines and Boeing

1. Alaska Airlines and Boeing shall provide project support for the Study and in that capacity will provide input in developing the scope of work and request for proposals for the Study. Alaska Airlines and Boeing shall also review the proposals and provide input to the Port in the selection of a qualified consultant to conduct the Study.
2. Following Consultant selection, Alaska Airlines and Boeing will provide feedback on work tasks and deliverables, and recommend to the Port any changes to the scope of work and/or budget, if necessary. In cooperation with the Port, Alaska Airlines and Boeing will assure that the Study is carried out in accordance with the scope of work.
3. Alaska Airlines and Boeing agree to provide their time and efforts only in support of the Study. Alaska Airlines and Boeing do not commit to provide any funding for the Study or to enter into any further agreements, regardless of the outcome of the Study. For avoidance of doubt, Alaska Airlines is participating in this MOU solely in its individual capacity and not as a representative of the Consortium.

IV. Term and Amendments

This MOU shall commence on the date first set forth above, and shall continue in effect until completion of the Study. This MOU may be amended only by written agreement of the Members.

V. Execution in Counterparts

This MOU may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document.

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IN WITNESS WHEREOF, the Members have signed this MOU by our respective duly authorized representatives.

PORT OF SEATTLE

By: _____
Theodore J. Fick
Its: Chief Executive Officer

ALASKA AIRLINES

By: _____
Joe Sprague
Its: Senior Vice President,
Communications & External Relations

THE BOEING COMPANY

By: _____
Lanine Lange
Its: Attorney-in-Fact