



**Transportation Network Companies (TNCs)
Non-Exclusive License Agreement (NELA) Recommendation**

Board of Airport Commissioners
July 16, 2015

Background and Timeline

- **September 2013**—California Public Utilities Commission (CPUC) enables TNCs
- **May 2014**—LAWA posted a Draft NELA for public comment, which would permit TNCs to pick-up passengers at LAX and subject TNCs to LAWA requirements, operating regulations, and fees
 - 20+ comment letters/emails received
- **December 2014**—Staff recommended to BOAC that LAWA proceed with a NELA enabling TNC pick-ups at LAX
- **April 2015**—LAWA posted a revised Draft NELA for public comment, which reflected the recommendations of December 2014
 - 15+ comment letters/emails received
- **July 2015**—Revised CPUC insurance requirements take effect
- **Ongoing**
 - TNC operations at other airports commenced August 2014
 - TNCs have been approved to operate at over 15 airports, including three in California

Background – LAX Commercial Transportation Operations

1. Drop-off

- Without license agreements or fees, all types of commercial operators access LAX to drop-off passengers, including taxis from all jurisdictions, shared ride vans, TCPs, TNCs, private bus operators, etc.

2. Pick-up

- City taxis
 - 9 City franchise cab companies have license agreements
 - Taxi consortium leases and operates the taxi cab pool and dispatch/queuing services
- Shared Ride Vans (SRV)
 - 3 companies have concession agreements, as LAWA has capped the number of these operators
 - Companies stage in a shared area outside the Central Terminal Area (CTA)
 - All three companies pay trip fees with an annual guarantee
- Limos/Town Cars/Charter Buses (TCPs)
 - 3200+ operators currently have non-exclusive license agreements (NELAs)
 - Use the Commercial Vehicle Holding Lot (CVHL) outside the CTA
 - Pay trip fees without any annual guarantee
- Scheduled Buses
 - <10 companies currently have NELAs and use the CVHL
 - Pay trip fees without any annual guarantee
- Hotel, Private Parking, Rental Car and Other Courtesy Shuttles
 - 60+ operators currently have NELAs
 - Rental Car shuttles have annual guarantees; all others pay trip fees without any annual guarantee
- TNCs
 - No authorized pick-up access

LAX Passenger Access Patterns



- LAX passenger mode shares:

Mode	2011 Survey	March 2015 Survey (preliminary , rounded)
Private vehicles (75% drop-off /pick-up)	51%	43%
Taxi	8%	8%
Shared Ride Vans	7%	6%
Non-Stop Vans	7%	9%
TNCs	N/A	6%
Limos/Town cars	2%	3%
FlyAway	2%	3%
Charter bus/van	1%	1%
Public Transit	1%	1%
Courtesy vehicles	21%	21%

- Despite available choices, in large numbers LAX passengers continue to use private vehicles for pick-ups and drop-offs, which contributes to greater traffic/congestion
- Private vehicle drop-off and pick-up is the least efficient mode due to empty vehicle trips
- Dual-Utility: If TNCs can also pick-up passengers at LAX, there is a greater chance that a TNC vehicle could both pick-up and drop-off a passenger on a single round trip

Objectives

Unchanged from December 2014

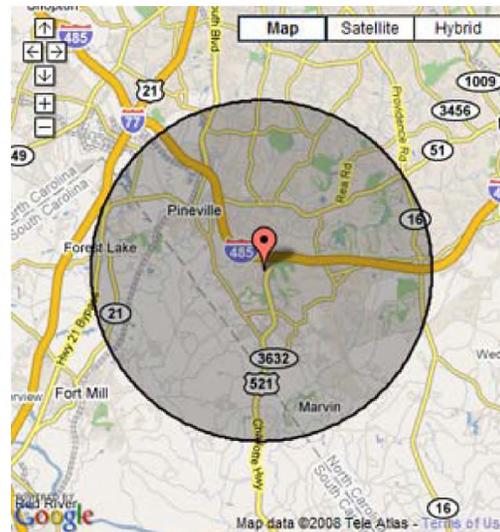
- Expand airport passengers' transportation choices
- Regulate and manage TNC use of LAWA property through enforceable agreements
- Promote fair competition among transportation companies in both regulations and fees
- Generate revenue from commercial users of LAWA property on a "level playing field" among competitors
- Achieve the above consistent with traffic management objectives at LAX
- Provide a safe environment

Recommended NELA Features

December 2014 Recommendation & Draft NELA	Final NELA	Notes
Upper Level – TNCs only be permitted to operate on upper level of the CTA	Allows Executive Director reduce restriction if/when appropriate by various means. Allows exception for ADA passengers.	Avoids need for amendment if traffic management warrants change
Vehicle Cap – Each TNC limited to 40 “unassigned” vehicles inside the “geo fence”, which would be subject to reset if warranted	Refined to Designated Assignment Area and Designated Staging Area(s)	Addresses concerns about traffic concentration and potential neighborhood impacts
Staging – Unassigned TNC vehicles would be required to stage in the CVHL inside the “geo fence”	Refined to Designated Assignment Area and Designated Staging Area(s)	Addresses concerns about traffic concentration and potential neighborhood impacts
Fees –\$4.00 per trip when crossing “geo fence” with passenger subject to a monthly guarantee of \$25,000	No Change	TNCs continue to ask for free access for drop-offs like others
Insurance – Required at the level set by recent state law	No Change	Error in Draft NELA corrected in final
Shared Rides –TNCs prohibited from picking-up more than one party per CTA trip, given agreements with SRV concessionaires	Allows Executive Director to eliminate prohibition if/when appropriate	TNCs prefer more shared ride freedom than the NELA initially grants

What is a Geo-Fence?

A **geofence** is a virtual barrier or virtual perimeter for a real-world geographic area. Programs that incorporate geo-fencing allow an administrator to set up triggers so when a device enters (or exits) the boundaries defined by the administrator, a text message or email alert is sent.



When the location-aware device of a location-based service user enters or exits a geo-fence, the device receives a generated notification. This notification might contain information about the location of the device. The geofence notice might be sent to a mobile telephone or an email account or a database established to track movement.

Original Cordon Geo-Fence Concept

Issues identified in the NELA review process:

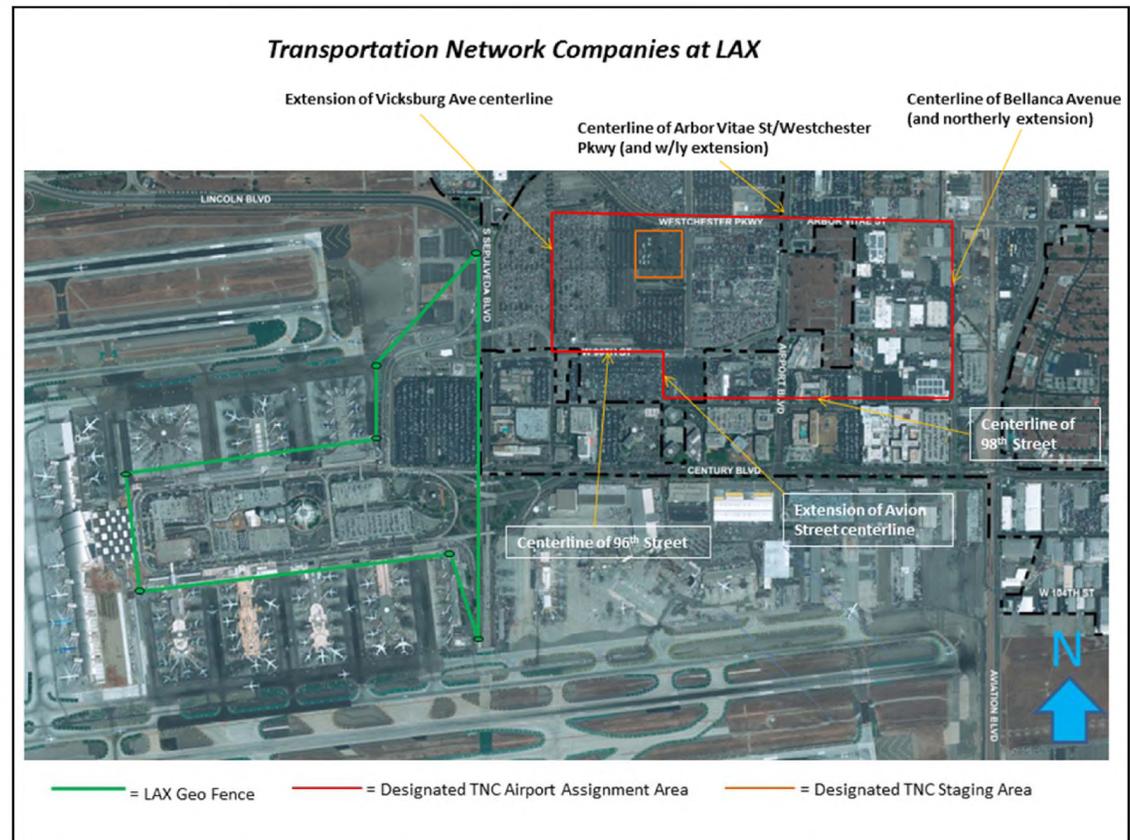
- **Technical Challenges** – Location of fee incidence and area from which “assignments” can be sought were identical
- **Neighbor Issues** – Concern expressed that TNC vehicles would unduly dwell in nearby communities just “outside the Box” to avoid triggering fees
- **Private Properties Impacts** – Fees to LAWA would be triggered for services to nearby hotels, for example
- **Traffic Effects** – TNC drivers with through-rides unrelated to LAX might “avoid the box” and use nearby streets
- **CTA Access** – Access not perceived as sufficiently regulated



Revised Geo-Fence and Designated Assignment Area

Benefits

- TNC drivers cannot get assignments from the CTA when in neighboring residential and commercial areas
- TNC drivers cannot get assignments when in the CTA
- Separates the fee area from the assignment reception area
- Allows TNC service to hotels without LAX fees
- No locational advantage for TNCs relative to taxis

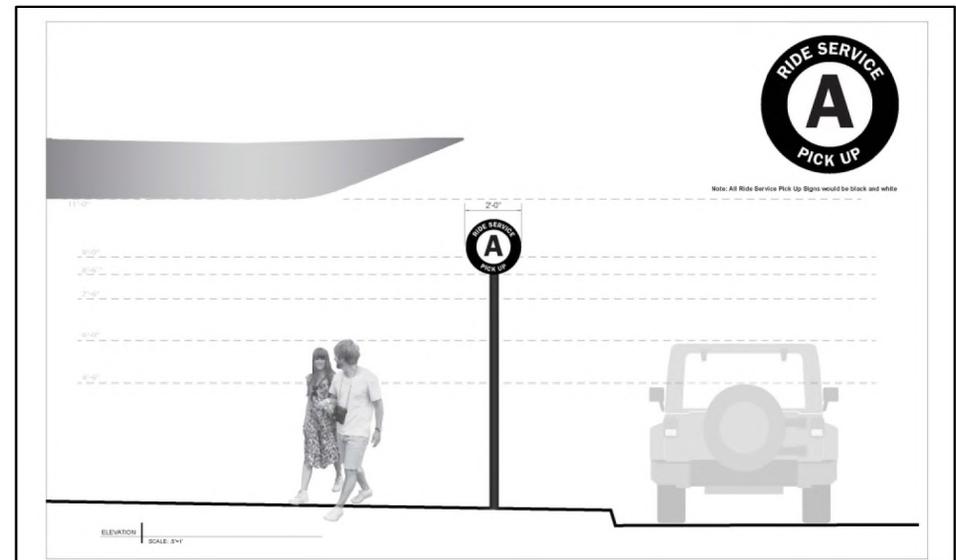


California Environmental Quality Act (CEQA) Compliance

- **LAWA evaluated if and how CEQA applies to proposed TNC NELA.**
- **LAWA determined that the issuance of a NELA is a discretionary action that is not a Project as defined in CEQA Guidelines.**
 - NELA does not result in a direct or reasonably foreseeable indirect physical change to the environment.
 - NELA may influence mode shift from POVs to TNCs, but will not induce more passengers or noticeable increase in trips to LAX.
- **Even if NELA is deemed a Project subject to CEQA, it is exempt:**
 - CEQA Class 1 exemption applies; NELA would result in negligible expansion of use beyond that existing now
 - No physical construction or new use of airport roadways or parking areas, with the exception of signs designating areas for TNC pick ups.
 - Based on 2015 LAX Air Passenger Survey, TNC users are currently substituting ~~TNC trips with~~ privately occupied vehicle (POV) trips with TNC trips.
 - Exemptions pursuant to City of Los Angeles City CEQA Guidelines:
 - Article III, Class 1(3): operation of existing highways/streets/lots that do not involve removal of a scenic resource
 - Article III, Class 1(14): issuance of lease/license to use existing facility involving negligible or no expansion
 - Article III, Class 1(18)(c): issuance of permit/lease/agreements granting use of existing airport facilities or operations
- **LAWA considered ALL categories on the Initial Study Checklist to determine that no CEQA exceptions apply to the issuance of the TNC license**
 - No significant air quality impacts:
 - No significant traffic/transportation impacts:
- **Issuance of NELA is not an unusual circumstance and happens routinely at LAX without causing significant environmental impact.**
 - LAWA has over 3,400 authorized Charter Party and Courtesy operators. In FY 2014-15, more than 590 NELAs were issued at LAX; none were deemed a Project under CEQA Guidelines Section 15378 and CEQA Guidelines Section 15060.
 - Other airports, including San Jose International Airport, San Diego International Airport, and John Wayne Airport, similarly concluded that the TNC licenses were either not a project subject to CEQA or were exempt from CEQA

Next Steps

1. Staff seeks Board approval of NELA, with recommended amendments
2. Begin accepting applications for individual NELAs immediately
3. Review applications to ensure TNC compliance with requirements and terms of NELA
4. Allow for City Council process to be concluded
5. Install passenger wayfinding and meeting spot signage for pick-ups on upper level roadway
6. Estimated operational date for first TNC pick-up is late August
7. Continue discussions with taxi companies, TCPs, and SRVs about improving their operations at LAX consistent with LAWA objectives



1. California Environmental Quality Act Compliance for Issuance of Transportation Network Company Non- Exclusive License Agreements

1.1 Background

Los Angeles World Airports (LAWA) is considering issuing and executing Non-Exclusive License Agreements (NELA) covering Transportation Network Company services to and from Los Angeles International Airport. A Transportation Network Company ("TNC") is defined as an organization, whether a corporation, partnership, sole proprietor, or other form, operating in California that provides transportation services for compensation using an online enabled application ("app") or platform to connect prospective passengers with drivers who are using their personal vehicles. State licensed TNC currently drop-off passengers at Los Angeles International Airport (LAX) at either the departures or arrival levels of the airport. LAX currently has a geo-fence in place that prohibits TNC operators from receiving assignments from passengers located within the CTA. Passengers currently desiring to utilize the services of a TNC for transport from LAX must depart from the CTA by shuttle to an off-airport hotel or parking area, or walk off the airport, outside the "geo-fence", until the app is able to detect a TNC and a TNC can be assigned.

On September 2, 1987, the Board of Airport Commissioners approved the Ground Transportation Permits, Ground Transportation Rules and Regulations, execution of Non-Exclusive License Agreements (NELA), and issuance of permits. NELAs are routinely issued to qualified operators for Charter Party Carrier Transportation and Courtesy Vehicle Transportation Services to and from Los Angeles International Airport.

LAX currently has over 3,400 authorized Charter Party and Courtesy operators. In fiscal year 2014-15, more than 590 NELAs were issued. Each operator must satisfy all application requirements, which include applicable California Public Utilities Commission authority, City Business Tax Registration, LAWA Insurance, and DMV registration. Each operator is required to abide by all LAX Rules and Regulations while operating at LAX.

The current Ground Transportation Permit Program permits and regulates the pick-up activities of commercial operators, including taxis, shared-ride vans, scheduled service buses, courtesy shuttles (hotel, private parking,

and rental car), and pre-arranged charter carriers. According to a 2014 survey of CTA roadways, approximately 50 percent of LAX passengers use private vehicles for pick up and drop-off.¹ If LAWA permits TNC, passengers will have an additional transportation choice that may provide a viable and effective alternative.

Issuance of a NELA to a TNC would allow these transportation service providers to pick up passengers from the departures (upper) level roadway within the CTA. LAWA would continue to prohibit TNC vehicles located within the CTA from getting assignments to pick up passengers. LAWA proposes to establish a TNC Assignment Area roughly bounded by Westchester Parkway/Arbor Vitae Street on the north, Bellanca Avenue on the east, West 98th Street on the south (between Avion Street and Bellanca Avenue), and Vicksburg Avenue on the west (between Westchester Parkway and West 96th Street). Between Vicksburg Avenue and Avion Drive, West 96th Street would be the southern boundary of the Assignment Area (see **Exhibit 1**). In order for a TNC to receive an assignment to pick up a passenger from the CTA, they must be located within the TNC Assignment Area, otherwise the app will not assign a passenger located within the CTA to the TNC operator. Additionally, under the proposed NELA, LAWA would cap the number of unassigned TNC per NELA license to 40 within the TNC Assignment Area at any one time. LAWA would allow licensed TNC operators to utilize the existing commercial vehicle staging lot located in the northeast corner of Lot C for staging, if they desire to do so.

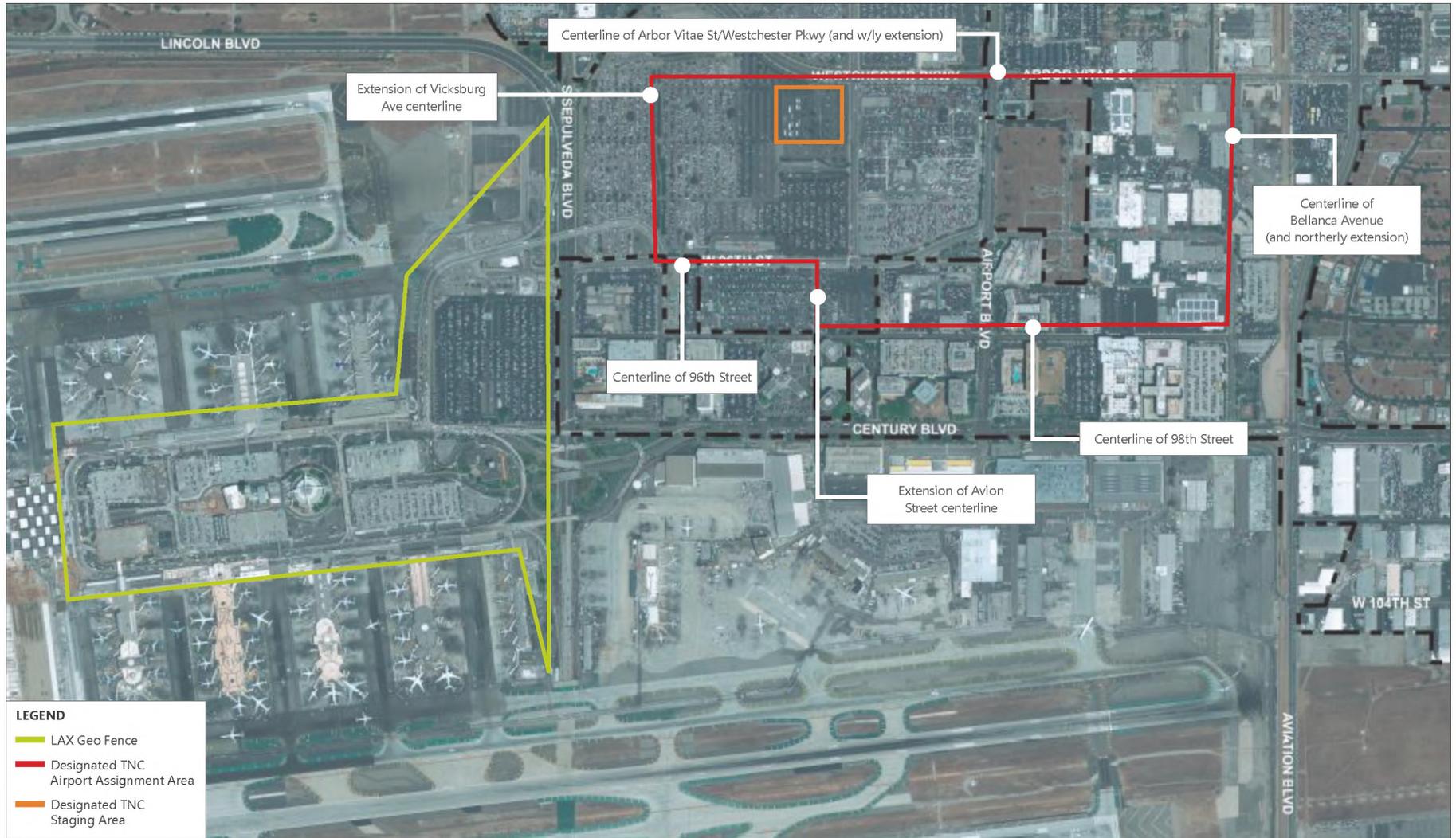
LAWA performs periodic surveys of the CTA roadway system to determine traffic volumes and mode shares of private and commercial vehicle operators at LAX, and also collects data on the number of commercial vehicle operators entering the CTA. A comparison of fiscal year (FY) 2014 to FY 2015 taxi trips within the CTA indicates that taxi trips have maintained their mode share (the number of taxi trips has actually increased² commensurate with the increase in passengers) although the percentage of private vehicles entering the CTA has decreased, while the percentage of TNC trips (due to passenger drop-offs) has increased.³ A survey of LAX passengers was conducted in early 2015 (LAX 2015 Air Passenger Survey). Passengers that self-reported that they had arrived at LAX via a TNC, were asked follow-up questions to determine how they would have gotten to the airport, if they had not used a TNC. The LAX 2015 Air Passenger Survey indicates that approximately 7 percent of originating passengers at LAX responded that they used a TNC to access the airport. Further analysis of the survey data determined that almost all of these respondents would have used a privately occupied vehicle (POV) and parked at or near the airport or would have been dropped off by a friend/relative in a POV. This and other anecdotal reports indicate that a segment of LAX passengers are currently substituting TNC or other commercial modes to travel to the airport instead of using private vehicles.

¹ Los Angeles World Airports, August 2014.

² Los Angeles World Airports, July 2015.

³ LAX 2015 Air Passenger Survey, Preliminary Summary Results, Unison Consulting, May 15, 2015.

[Preliminary Draft for Discussion Purposes Only]



LEGEND

- LAX Geo Fence
- Designated TNC Airport Assignment Area
- Designated TNC Staging Area

SOURCE: Los Angeles World Airports, July 2015.
PREPARED BY: Los Angeles World Airports, July 2015.

EXHIBIT 1



TNC Operational Area

1.2 California Environmental Quality Act Compliance

The granting of a NELA is a discretionary action that would be taken by the City of Los Angeles, Board of Airport Commissioners. As such, LAWA has conducted a review of the proposed NELA to determine whether California Environmental Quality Act (CEQA) compliance is required.

1.2.1 CALIFORNIA ENVIRONMENTAL QUALITY ACT APPLICATION

A "Project" is an activity subject to CEQA. Section 15060 of the CEQA Guidelines, Preliminary Review, states that the lead agency must first determine if the action or activity is a Project as defined by CEQA. Section 15060, paragraph (c) states:

An activity is not subject to CEQA if:

- (1) The activity does not involve the exercise of discretionary powers by a public agency;
- (2) The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; or
- (3) The activity is not a Project as defined in Section 15378.

Section 15378 of the CEQA Guidelines gives further definition to determine if the discretionary action is in fact a Project. Section 15378 states:

(a) "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following:

- (1) An activity directly undertaken by any public agency including but not limited to public works construction and related activities clearing or grading of land, improvements to existing public structures, enactment and amendment of zoning ordinances, and the adoption and amendment of local General Plans or elements thereof pursuant to Government Code Sections 65100–65700.
- (2) An activity undertaken by a person which is supported in whole or in part through public agency contacts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
- (3) An activity involving the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.

In reference to Section 15060, although the proposed action does involve the discretionary powers of LAWA to issue a license, the activity will not result in a direct or reasonably foreseeable indirect physical change to the environment. The issuance of a license to TNCs for the pick up of airport passengers may induce a mode

shift in how passengers depart the airport, but will not, in and of itself, induce more passengers or induce a noticeable increase in trips to the Airport. Passengers, meeters, and greeters will travel to and from LAX regardless of whether a NELA for TNC are issued or not. Based on a 2015 LAX Air Passenger Survey, approximately 7 percent of originating passengers at LAX responded that they used a TNC to access the airport.⁴ Further analysis of the survey data determined that almost all of these respondents would have used POVs and parked at or near the airport or would have been dropped off by a friend/relative. Thus, TNC are in effect substituting for POV trips to the airport. This pattern is expected to continue if TNC are permitted to pick up passengers at LAX, and no noticeable net change in the number of trips is anticipated to occur.

In reference to Section 15378, although the discretionary action involves the issuance of a license, the license is not for use by one or more public agencies. Further, the discretionary action will not be supported by or assisted financially by a public agency. Therefore, the discretionary action is not a Project as defined in CEQA Guidelines Section 15378 and is not subject to CEQA under CEQA Guidelines Section 15060.

1.2.2 CATEGORICAL EXEMPTIONS

Although LAWA does not consider the issuance of a NELA to TNC to be a project subject to CEQA, LAWA has also considered whether the issuance of a NELA for TNC is exempt from CEQA review under one or more of CEQA's categorical exemptions. Section 15061 of the CEQA Guidelines states that a project is exempt from CEQA if:

- (1) The project is exempt by statute (see, e.g. Article 18, commencing with Section 15260).
- (2) The project is exempt pursuant to a categorical exemption (see Article 19, commencing with Section 15300) and the application of that categorical exemption is not barred by one of the exceptions set forth in Section 15300.2.
- (3) The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- (4) The project will be rejected or disapproved by a public agency. (See Section 15270(b)).
- (5) The project is exempt pursuant to the provisions of Article 12.5 of this Chapter.

Section 15300 et seq. of the CEQA Guidelines identifies classes of projects that have been determined not to have a significant effect on the environment and that are exempt from the provisions of CEQA, provided that

⁴ LAX 2015 Air Passenger Survey, Preliminary Summary Results, Unison Consulting, May 15, 2015.

none of the exceptions in Section 15300.2 apply. Section 15301 (Class 1) of the CEQA Guidelines, Existing Facilities, identifies projects exempt from the provisions of CEQA.

Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

...

(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety).

...

The issuance of a NELA to TNC would not involve any construction or changes to existing facilities.⁵ TNC operators would use existing public roadways and LAWA or public parking areas that are currently used by commercial vehicle operators waiting to drop off or pick up passengers at LAX. Based on a 2015 LAX Air Passenger Survey, approximately 7 percent of originating passengers at LAX responded that they used a TNC to access the airport.⁶ Further analysis of the survey data determined that almost all of these respondents would have used POVs and parked at or near the airport or would have been dropped off by a friend/relative. Thus, TNC are in effect substituting for POV trips to the airport and no noticeable net change in the number of trips is anticipated to occur. Additionally, TNC were permitted to pick up passengers at San Francisco International Airport (SFO) beginning in October 2014. Data gathered since that time indicate that most of the passenger shift to TNC at SFO was a result of substituting private vehicles or rental vehicles, and the taxicab mode share has not changed.⁷ It is expected that passengers who would use TNC to leave the airport would be substituting TNC for another private vehicle. Thus, even if this discretionary action was classified as a project subject to CEQA, it would result in negligible expansion of use beyond that existing now, and the CEQA Class 1 exemption applies to this discretionary action.

⁵ The only anticipated visible change will be posting of signs and painting of portions of the curb indicating areas designated for TNC pick ups within the CTA.

⁶ LAX 2015 Air Passenger Survey, Preliminary Summary Results, Unison Consulting, May 15, 2015.

⁷ Airport Ground Transport Association, Miami Meeting, "When Technology Disrupts the Airport Business Model, Ground Transportation Impacts", presented by Abu Azam, Senior Manager, Operations & Security, San Francisco International Airport, April 20, 2015.

Additionally, the City of Los Angeles has adopted Environmental Quality Act Guidelines⁸, which identify classes of Categorical Exemptions. The City Guidelines state that, "The Secretary for Resources has provided a list of classes of projects which he has determined do not have a significant effect on the environment and which are therefore exempt from the provisions of CEQA. The following specific categorical exemptions within such classes are set forth for use by Lead City Agencies, provided such categorical exemptions are not used for projects where it can be readily perceived that such projects may have a significant effect on the environment."

a. Class 1. Existing Facilities.

Class 1 consists of the operation, repair, maintenance or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that previously existing.

3) Operation, repair, maintenance or minor alteration of existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, storage areas, parking lots, aircraft parking areas, wharves, railroads, runways, taxiways, navigable waterways, bridle trails, service roads, fire lanes and golf-cart paths, except where the activity will involve removal of a scenic resource including but not limited to a stand of trees, a rock outcropping or an historic building.

14) Issuance, renewal or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use.

18) Issuance of permits, leases, agreements, berth and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of the following existing facilities and land and water use areas involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted:

a) Municipal Warehouses and Transit Sheds.

b) Municipal Wharves.

c) Municipal Airports.

The issuance of a NELA to TNC would not involve any physical construction or new use of airport roadways or parking areas. TNC operators would use existing public roadways and LAWA or public parking areas that are

⁸ City of Los Angeles, Environmental Quality Act Guidelines, CF# 02-1507, Adopted July 31, 2002.

currently used by commercial vehicle operators waiting to pick up passengers at LAX. As discussed above, the 2015 LAX Air Passenger Survey indicates that TNC users are currently substituting TNC trips with POV trips. It is expected a similar substitution would occur as a result of the proposed action, resulting in negligible or no increase in use. Thus, even if this discretionary action was classified as a project subject to CEQA, the City of LA Class 1 exemption applies to this discretionary action.

Finally, an activity is not subject to CEQA “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” This “common sense” exemption also applies to the proposed action. Section 1.3, below, provides an environmental review of the potential effects resulting from issuance of a NELA to TNC, which demonstrates no significant effect on the environment would result.

1.2.3 EXCEPTIONS TO THE USE OF CATEGORICAL EXEMPTIONS

All of the potential exceptions to the use of Categorical Exemptions, identified in Section 15300.2 of the CEQA Guidelines, for the proposed discretionary action were examined and determined to not apply to the proposed issuance of a NELA for TNC. Each exception is discussed below:

Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant.

The proposed issuance of a NELA for TNC falls under the Class 1 Categorical Exemption. The “location” exception does not apply to the Class 1 Categorical Exemption and, in any event, the proposed action would not result in activity within a particularly sensitive environment.

Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

The proposed discretionary action is the issuance of a license to provide transportation services and receive assignments from an LAX passenger within the geo-fence within the Central Terminal Area (CTA). As described in Section 1.3, there would be no significant environmental effects as a result of the issuance of the license. Successive projects of the same type, meaning similar licenses to access the Central Terminal Area, have been issued and will continue to be issued in the future also without significant environmental impacts. The licenses simply permit commercial vehicle operators to pick up and drop-off passengers at LAX. It does not affect the number of airport passengers at the airport but simply provides a choice of conveyance. In most cases, if a license is not issued, the passenger would simply choose to drive their own private vehicle or choose another commercial vehicle operator with no significant effect on the number of trips to and from the airport. The cumulative impact of such licenses would not pose a significant environmental impact over time.

Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

In FY 2014-15, more than 590 NELAs were issued at LAX. The issuance of this proposed license is not an unusual circumstance and happens routinely and regularly in the course of LAWA's business dealings without causing significant environmental impact. **Attachment 1** provides a list of the NELA issued by LAWA in FY 2014-2015; all were issued by LAWA as discretionary actions that are not a Project as defined in CEQA Guidelines Section 15378 and are not subject to CEQA under CEQA Guidelines Section 15060.

A review of what other California airports have done in enacting licenses for TNC operations was also conducted. The City of San Jose determined that issuing permits for TNC operations at Norman Y. Mineta San Jose International Airport was not a project subject to CEQA.⁹ The Orange County Board of Supervisors determined that issuing TNC ground operating permits was categorically exempt (Class 1) pursuant to CEQA Guidelines Section 15301 "because it consists of issuance of an operating permit for ground transportation services similar to existing services already provided at JWA".¹⁰ The San Diego County Regional Airport Authority determined that issuing a permit for a TNC pilot program at San Diego International Airport was "not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §30106."¹¹

Scenic Highways. A categorical exemption shall not be used for an activity which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.

The proposed TNC Assignment Area does not contain any State or City designated scenic highway, corridor, or parkway.¹² Thus, the proposed issuance of a NELA license for TNC would not damage such a resource.

Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.

The proposed discretionary action does not involve construction or ground disturbance. No sites listed pursuant to Section 65962.5 of the Government Code are contained within the TNC Assignment Area and there would be no impact to known or unknown hazardous waste sites.

⁹ Kimberly J. Becker, Director of Aviation, to Honorable Mayor and City Council, City of San Jose, Memorandum: TNC Management and Operating Plan at the Norman Y. Mineta San Jose International Airport, March 15, 2015.

¹⁰ John Wayne Airport, Agenda Staff Report, Transportation Network Company Ground Operating Permit, February 3, 2015.

¹¹ San Diego County Regional Airport Authority, Staff Report, Transportation Network Company (TNC) Pilot Program Parameters, February 19, 2015.

¹² Los Angeles World Airports, Los Angeles International Airport Specific Plan Amendment Study Final Environmental Impact Report, January 2013.

Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

There are no historic resources within the geographic boundaries of the TNC Assignment Area¹³. Therefore, the proposed discretionary action would not cause an adverse change in the significance of a historical resource.

1.3 Environmental Review

All categories on the Initial Study Checklist were considered in order to determine that no CEQA exceptions apply to the issuance of the TNC license.

1.3.1 AESTHETICS

The TNC operational area is located on the east end of LAX, an area that is developed with airport, commercial, and industrial uses. As further described in Section 1.1, Background, the issuance of the TNC license does not include the construction of any facilities, only the issuance of a NELA allowing TNC vehicles to operate within the CTA and designated TNC Assignment Area at LAX. Therefore, the issuance of a NELA for TNC will have no adverse effect on a scenic vista nor substantially damage any scenic resources. The addition of TNC vehicles will not be materially different than current private and commercial vehicles and taxicabs currently located in the vicinity of the airport. As such, the issuance of the NELA for TNC will not degrade the visual character of the airport and its surroundings, nor would it provide new sources of substantial light or glare. Therefore, the issuance of a NELA for TNC would not have any impact on aesthetics.

1.3.2 AGRICULTURAL

The TNC operational area is located within a fully-developed airport, is surrounded by airport-related uses, and has been predominantly disturbed and paved. There are no farmlands that are considered prime, unique or of statewide or local importance in the vicinity of LAX. No agricultural resources or operations currently exist, or have existed in the recent past on the airport or in the vicinity of the airport.¹⁴ Furthermore, there are no Williamson Act contracts in effect at the airport or surrounding areas. Additionally, no forest or timberland resources exist at the airport or in the vicinity of the airport. Consequently, the issuance of a NELA for TNC would not conflict with existing zoning for, or cause rezoning of, forest land or timberland (including timberland zoned as Timberland Production) or result in the loss or conversion of forest land to non-forest

¹³ Los Angeles World Airports , Los Angeles International Airport Specific Plan Amendment Study Final Environmental Impact Report, January 2013.

¹⁴ City of Los Angeles, Los Angeles World Airports (LAWA), *Final Environmental Impact Report, Los Angeles International Airport Proposed Master Plan Improvements*, April 2004.

use. Therefore, no impacts to agricultural and forestry resources would occur as a result of issuance of a NELA for TNC.

1.3.3 AIR QUALITY

An air quality analysis was conducted to determine the potential effects of allowing TNC to operate at LAX by picking up and dropping off passengers along the LAX Departures level curbsides. Consistent with the traffic analysis (summarized in Section 1.3.16), and the results of the LAX 2015 Air Passenger Survey, the air quality analysis assumed that approximately 7 percent of total passenger arrivals would shift to TNC operations. Although LAWA anticipates that most of the shift in mode would occur from POVs to TNC, this air quality analysis assumed that the shift would occur from taxicabs to TNC. This assumption was made to conservatively evaluate the air quality effect of switching from potentially newer vehicles (and thus, cleaner fleet in terms of air quality emissions) to a TNC fleet that consists of private vehicles made up of a mix of model years.

Assuming these conservative hypothetical situations, operations of TNC vehicles at LAX could slightly change emissions within the CTA when compared to operations of taxicabs and shared ride vans, as shown in **Table 1**. Even if such a result were to occur, however, all pollutant emissions, would be well below the daily South Coast Air Quality Management District (SCAQMD) CEQA thresholds, based on the vehicle miles traveled shift to TNC in the CTA. Therefore, issuance of a NELA for TNC would not conflict with or obstruct the implementation of the SCAQMD's congestion management plan, violate any air quality standard, or contribute substantially to an existing or projected air quality violation. There would not be a cumulatively considerable net increase of any criteria pollutant for which the basin is in non-attainment.

Table 1: Criteria Pollutant Emissions (lbs/day)

	CO	ROG	NO _x	SO _x	PM ₁₀	PM _{2.5}
SCAQMD CEQA Threshold	550	55	55	150	150	55
Potential Incremental Difference between Existing Conditions and Various Conservative Assumptions regarding TNC Operations	22.50	1.22	2.04	0.00	0.07	0.07
% of Thresholds	4%	2%	4%	0%	0%	0%

SOURCE: CDM Smith, February 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

Additionally, issuance of the NELA for TNC would not expose any sensitive receptors to substantial pollutant concentrations, nor create any odors.

1.3.4 BIOLOGICAL RESOURCES

The TNC operational area is located in a highly urbanized area in and around LAX. As further described in Section 1.1, Background, the issuance of a NELA for TNC does not include the construction of any facilities, only a policy change regarding TNC vehicles. With the exception of a few undeveloped parcels along West 96th Street, which support non-native ruderal vegetation with extremely low habitat value to wildlife, the TNC operational area is almost entirely developed with airport-related or urban uses. Therefore, due to the urbanized nature of the TNC operational area and surrounding area, the site does not support habitats for candidate, sensitive, or special status species, and would not impact sensitive species or their habitats. There are no biological resources, including riparian habitat, other sensitive natural community or federally protected wetlands, or native resident or migratory fish/wildlife species that would be impacted. Issuance of a NELA for TNC would not result in direct removal, filling, or hydrological interruption to any resource and there are no known local policies, habitat conservation plans, or ordinances protecting biological resources in the TNC operational area. Thus, the issuance of a NELA for TNC would not affect any biological resources.

1.3.5 CULTURAL RESOURCES

The issuance of a NELA for TNC does not include the construction of any facilities, only a policy change allowing TNC vehicles to operate within the CTA and designated TNC Assignment Area at LAX. Therefore, no disturbance of soils or construction within the vicinity of any historical resource within or near the TNC operational area would occur. Issuance of a NELA for TNC would not impact any archaeological or paleontological resource, any historical resource as defined in CEQA Guidelines Section 15064.5, any unique geologic feature, or disturb any human remains.

1.3.6 GEOLOGY AND SOILS

Issuance of a NELA for TNC consists of a policy change at LAX, and in and of itself will not pose any risk of human injury and property damage as a result of potential regional earthquakes. The TNC operational area is located within the seismically active Southern California region, but not within an Alquist-Priolo Special Study Zone. As is common in this region, there will be continued risks of human injury and property damage because of potential regional earthquakes, but none posed specifically by the issuance of a NELA for TNC as no construction would occur. Additionally, as existing slopes in the LAX vicinity are relatively small in area and of low angle and height (less than 15 feet), the overall potential for seismic-related ground failures, including liquefaction, is considered to be low; no potential liquefaction zones are located within the vicinity of LAX.

As the issuance of a NELA for TNC does not include any construction, there will be no impacts to soil erosion, expansive soils, or loss of topsoil. Issuance of a NELA for TNC would also not have any impact on the ability of on-site soils to support septic tanks or alternative wastewater systems as the issuance of the license would not generate additional wastewater.

1.3.7 GREENHOUSE GAS EMISSIONS

Carbon dioxide equivalent (CO₂e) emissions would be expected to slightly decrease through the issuance of a NELA for TNC by reducing traffic on the lower level within the CTA, which experiences greater levels of congestion than the Departures (upper) level of the CTA roadway. A slight decrease would show a benefit of

greenhouse gas emissions through the issuance of a NELA for TNC and therefore would not have a significant impact on the environment. A reduction in GHGs would be consistent with local and state plans.

1.3.8 HAZARDS AND HAZARDOUS MATERIALS

The issuance of a NELA for TNC would not result in or require changes in any routine transport, use, or disposal of hazardous materials associated with operations at LAX. Nor would the license issuance create a significant public hazard through the accidental release of hazardous materials into the environment. Issuance of a NELA for TNC would not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste. Furthermore, the Department of Toxic Substances Control has not listed any part of the TNC operational area.

The TNC operational area is located within a public airport and within the vicinity of a private airstrip. Numerous safeguards are required by law to minimize the potential for and the effects from an accident if one were to occur. However, as the issuance of a NELA for TNC consists only of a policy change and would not involve construction or a change in aircraft operations, the issuance of the license would not result in a safety hazard for people residing or working in the TNC operational area.

Issuance of a NELA for TNC will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. LAWA and tenants of LAX maintain Emergency Response Evacuation Plans to minimize the potential for and the effects of an accident, should one occur. The TNC operational area will be kept clear and unobstructed at all times in accordance with FAA, State Fire Marshal, and Los Angeles Fire Code regulations.

The TNC operational area is located in a developed, paved, urbanized area; there are no wildlands located within the TNC operational area. In addition, the TNC operational area is not within the City of Los Angeles Wildfire Hazard Area. Consequently, issuance of a NELA for TNC would not expose people or structures to significant loss, injury, or death due to wildland fires.

1.3.9 HYDROLOGY AND WATER QUALITY

The issuance of a NELA for TNC does not include any construction and therefore would not alter drainage patterns or hydrology at the TNC operational area. Consequently, the issuance of a NELA for TNC would not create or contribute to runoff, substantially degrade water quality, violate any water quality standards or waste discharge requirements, or impact groundwater supplies or recharge.

The issuance of a NELA for TNC is not located within the 100-year floodplain as mapped by the most current Federal Emergency Management Agency Flood Insurance Rate Maps for the LAX area (September 26, 2008),¹⁵ nor is it delineated as a potential inundation or tsunami affected area on the California Emergency

¹⁵ Federal Emergency Management Agency, *Flood Insurance Rate Map, Panels 1760 and 1780 of 2350, Map Number 06037C1780F*, September 26, 2008.

Management Agency Tsunami Inundation Map for Emergency Planning.¹⁶ Additionally, the issuance of a NELA for TNC would not result in an alteration of a river or stream course. Thus, no impacts due to the exposure of people or structures to a risk of loss, injury, or death involving flooding as a result of the failure of a levee or dam would occur. Similarly, no impacts resulting from inundation by seiche, tsunami, or mudflow would occur.

1.3.10 LAND USE AND PLANNING

Issuance of a NELA for TNC would not require land use acquisition or new facilities; therefore, issuance of the license would not disrupt or divide the physical arrangement of an established community. Land use designations and development regulations applicable to LAX, including the TNC operational area, are set forth in the LAX Plan, the LAX Specific Plan, and the Los Angeles Airport/El Segundo Dunes Specific Plan. The TNC operational area is located within areas designated in the LAX Plan as "Airport Landside." Within the LAX Specific Plan, the TNC operational area is in an area designated within the Airport Landside subarea, zoned "LAX – L Zone, Airport Landside Sub-Area." Issuance of a NELA for TNC would be compatible with existing on-site uses. No change in zoning and/or LAX Master Plan or Specific Plan land use designation is anticipated due to the issuance of a NELA for TNC. Furthermore, issuance of a NELA for TNC would not increase overall capacity at LAX, and would not conflict with established goals of the LAX Master Plan or Specific Plan.

Additionally, there is no adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan that includes any part of the TNC operational area.

1.3.11 MINERAL RESOURCES

The TNC operational area is located on the east end of LAX, an area that is developed with airport, commercial, and industrial uses. There are no actively mined mineral or timber resources on the TNC operational area, nor is the site available for mineral resource extraction given the existing airport uses. Therefore, no impacts to the availability of mineral resources would occur as a result of the issuance of a NELA for TNC.

1.3.12 NOISE

Issuance of a NELA for TNC would not result in a permanent or temporary increase in ambient noise levels in the project vicinity, nor would it expose persons to, or generation of, noise levels in excess of standards. Furthermore, issuance of a NELA for TNC would not result in the exposure of people to or generation of excessive ground borne vibration or ground borne noise levels, or create a substantial periodic or permanent increase in ambient noise levels. Groundborne noise is generally the result of underground construction activity, such as tunneling; however, there is no construction associated with the issuance of a NELA for TNC.

¹⁶ California Emergency Management Agency, Tsunami Inundation Map for Emergency Planning, Venice Quadrangle, March 1, 2009.

The TNC operational area is located on a public airport, and within two miles of a private airstrip, but issuance of a NELA for TNC would not result in substantial or significant temporary or periodic increases in noise levels to people residing or working in an area within 2 miles of either airport. Issuance of a NELA for TNC would not involve any construction or change in aircraft operations.

1.3.13 POPULATION AND HOUSING

Issuance of a NELA for TNC does not include residential or business development and would not induce population growth that would require additional housing. Furthermore, issuance of a NELA for TNC will not displace existing housing or residential populations, nor would it result in any increase in flights or operations at LAX. Therefore, no impacts related to population or housing growth and displacement would occur.

1.3.14 PUBLIC SERVICES

Issuance of a NELA for TNC would not increase the capacity of LAX operations, traffic volumes, or the number of passengers. Consequently, issuance of a NELA for TNC would not require additional support from airport or local fire departments or law enforcement services that would require new or expanded facilities. Issuance of a NELA for TNC does not include a residential element nor will it increase employment or operations at LAX. Consequently, there is no population growth that would increase demands for schools, parks, or other public facilities. Therefore, no impacts related to public services would occur.

1.3.15 RECREATION

Issuance of a NELA for TNC does not include a housing component that would increase the resident population around the LAX area nor will it increase operations or the number of employees. Consequently, no increased demand for recreational facilities beyond the existing demand and no physical deterioration of recreational areas would occur. Additionally, issuance of a NELA for TNC would not increase the use of existing parks or recreational facilities and does not include the construction or expansion of recreational facilities. Therefore, no impacts related to Recreation would occur.

1.3.16 TRANSPORTATION

Issuance of a NELA for TNC at LAX may result in a portion of airport passengers shifting from privately occupied vehicles (POVs), taxicabs, shared ride vans, and hotel motel/private parking shuttles (Courtesy Shuttles) to TNC vehicles. Based on a 2015 LAX Air Passenger Survey, approximately 7 percent of originating passengers at LAX responded that they used a TNC to access the airport.¹⁷ Further analysis of the survey data determined that almost all of these respondents would have used POVs and parked at or near the airport or would have been dropped off by a friend/relative. Thus, TNC are in effect substituting for POV trips to the airport. It is expected that a similar substitution would occur as a result of the NELA with TNC, and no noticeable net change in the number of trips is anticipated to occur.

¹⁷ LAX 2015 Air Passenger Survey, Preliminary Summary Results, Unison Consulting, May 15, 2015.

TNC vehicles would operate in the CTA by picking up and dropping off customers along the Departures (upper) level curbsides.¹⁸ Consequently, this would relieve some of the congestion currently being experienced along the Arrivals (lower) level curbsides as passengers shift from their current mode choice (with pick-up along the lower level) to TNC vehicles. An analysis was performed to consider any potential traffic impacts experienced on the upper level from this change for the departures peak hour (6:00 am to 7:00 am). The results of the analysis, shown in **Tables 2** and **3**, reflect that each intersection along the upper level roadway (World Way North & Skyway, World Way South & West Way, World Way South and East Way) was estimated to operate at a similar level of service (LOS A) when compared to Baseline 2014 conditions. Additionally, it was estimated that no significant impacts to the CTA intersections would occur by permitting TNC vehicles to operate on the upper level roadways at LAX.

Table 2: Departures Level Intersection Analysis Summary (6:00 am to 7:00 am)

TERMINAL	BASELINE 2014 CONDITIONS		BASELINE 2014 PLUS TNC VEHICLES ^{/1}		SIGNIFICANT IMPACT?
	INTERSECTION V/C RATIO	LOS	INTERSECTION V/C RATIO ^{/1}	LOS	
World Way North and Skyway	0.467	A	0.472	A	No
World Way South and West Way	0.430	A	0.436	A	No
World Way South and East Way	0.442	A	0.449	A	No

NOTES:

V/C = Volume to Capacity ratio

LOS = Level of Service

/1 Based on assumption that all TNC pick ups would otherwise have occurred via private vehicle.

SOURCE: Ricondo & Associates, Inc., July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

¹⁸ Under the proposed NELA, TNC would be allowed to pick up disabled passengers in designated areas on the Arrivals level.

Table 3: Departures Level Intersection Analysis Summary (11:45 am to 12:45 pm)

TERMINAL	BASELINE 2014 CONDITIONS		BASELINE 2014 PLUS TNC VEHICLES ^{/1}		SIGNIFICANT IMPACT?
	INTERSECTION V/C RATIO	LOS	INTERSECTION V/C RATIO	LOS	
World Way North and Skyway	0.392	A	0.430	A	No
World Way South and West Way	0.395	A	0.408	A	No
World Way South and East Way	0.369	A	0.438	A	No

NOTES:

V/C = Volume to Capacity ratio

LOS = Level of Service

/1 Based on assumption that all TNC pick ups would otherwise have occurred via private vehicle.

SOURCE: Ricondo & Associates, Inc., July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

Based on the above analysis, issuance of a NELA for TNC would not conflict with any applicable transportation plan, ordinance, policy, or congestion management program. Issuance of a NELA for TNC would not affect aircraft operations and therefore would not result in a change in air traffic patterns. Issuance of a NELA for TNC would not increase hazards within the CTA or result in inadequate emergency access.

As stated above, approximately 7 percent of originating passengers at LAX responded that they used a TNC to access the airport.¹⁹ Further analysis of the survey data determined that almost all of these respondents would have used POVs and parked at or near the airport or would have been dropped off by a friend/relative. Thus, TNC are in effect substituting for POV trips to the airport and there would be an equivalent number of trips on the immediately adjacent areas coming in to pick up and potentially a reduced number of vehicle miles travelled since the POVs would essentially be travelling from a longer distance compared to the TNC coming in from the TNC Assignment Area. There could be a potential difference if TNC coming in from the TNC Assignment Area using either the Skyway Bridge or Century Boulevard, were to replace some of the POVs arriving from the southern portion of the LA region via Sepulveda ramps to the CTA to pick up passengers at the Arrivals level. If this were to occur, conditions along the Sepulveda Boulevard entrance to the CTA from the south would potentially improve with a smaller number of vehicles utilizing that route.

Based on data from the 2011 LAX Air Passenger Survey, approximately 30 percent of vehicles traveling to LAX access the airport from the Sepulveda Boulevard/Interstate 105 interchange. Thus, the potential additional trips coming from the TNC Assignment Area would be a maximum of 63 trips (30% of 211). Of these 63 trips, some could originate from within the larger TNC Assignment Area and some could originate from within the TNC Staging Area (located in the existing commercial vehicle staging lot) to travel to the CTA Departures level.

¹⁹ LAX 2015 Air Passenger Survey, Preliminary Summary Results, Unison Consulting, May 15, 2015.

TNC vehicles from the TNC Assignment Area traveling along Arbor Vitae would turn left at Jenny, right at 96th Street, and proceed over the Skyway Bridge and turn to get into the CTA. Other TNC, including those from the TNC Staging Area, would use 98th Street, Bellanca Avenue, 96th Street, Vicksburg Avenue, Avion, or Airport Boulevard to either get to the Skyway Bridge via 96th Street or turn right on to Century Boulevard at the Airport Boulevard or Avion Drive intersection to proceed westbound along Century Boulevard to the CTA Departures level. Given the multiple paths and numerous options available to these small number of potential redistributed TNC trips, there would not be any measurable change in traffic volumes (and consequently significant effects) attributable to the proposed change.

1.3.17 UTILITIES

The issuance of a NELA for TNC does not include the construction of any facilities, only a policy change allowing TNC vehicles to operate within the CTA and designated TNC Assignment Area at LAX. Therefore, the issuance of a NELA for TNC would not generate wastewater or stormwater, consume water supplies, or generate solid waste. Consequently, issuance of a NELA for TNC would not: exceed wastewater treatment requirements of the applicable regional water quality control board; require the construction of new water or wastewater treatment facilities; require the construction of new storm water drainage facilities or expansion of existing facilities; have an effect on water supplies; affect wastewater treatment; have any solid waste disposal needs, or generate any solid waste disposal itself.

1.3.18 MANDATORY FINDINGS OF SIGNIFICANCE

As documented above, issuance of a NELA for TNC would not degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. Issuance of a NELA for TNC would not have an impact which is individually limited but cumulatively considerable, nor would it have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.