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The following provides the comments and individual responses to said comments contained in the May 15, 2015 letter from the Alliance for a Regional Solution to Airport Congestion (ARSAC) on the Draft Non-Exclusive License Agreement – Transportation Network Companies (NELA-TNC):

### Comment 1

**Comment:** We appreciate the opportunity to comment on this draft. We are providing comments by topic.

In summary, we oppose TNC operations in the LAX Central Terminal Area (CTA) as it will increase traffic in an already over congested area, but we would support them in underutilized parking lots such as Parking Lots B and E serviced by shuttle buses.

**Response:** Comment noted. Issuance of a Non-Exclusive License Agreement (NELA) for Transportation Network Companies (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. 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.

As noted above, state licensed TNC currently drop-off passengers at LAX at either the departures or arrival levels of the airport. LAX currently has a geofence 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 “geofence”, until the app is able to detect a TNC and a TNC can be assigned. Thus, TNC are already operating at LAX and in the areas surrounding LAX. Issuance of a NELA for 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. 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

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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

## Comment 2

**Comment:** We request that comments and questions from us and other groups be considered and incorporated into a second draft for final comments. We also ask that all of the NELA-TNC comment letters and drafts be posted on the LAWA website and that the revised draft NELA-TNC is re-circulated again for public comment before the final proposed NELA-TNC is submitted to the Board of Airport Commissioners for their consideration.

**Response:** Comment noted. Los Angeles World Airports (LAWA) staff reviewed and considered all comments received on the April 27, 2015 draft NELA for TNC services. Comment letters received on the April 27, 2015 draft NELA for TNC services were posted on the LAWA website. The revised NELA for TNC services was posted on the Board of Airport Commissioners (BOAC) web page as part of the July 16, 2015 BOAC agenda. Members of the public were provided the opportunity to comment on the revised NELA for TNC services during the July 16, 2015 BOAC meeting.

## Comment 3

**Comment:** Public Participation. In light of an important issue such as this, what outreach efforts did LAWA make to stakeholders on the draft NELA-TNC? Who were the stakeholders contacted? Is the draft NELA-TNC on the LAWA website? The communities surrounding LAX are constantly impacted by the traffic, noise, pollution and road safety of ground transportation going into and out of Los Angeles International Airport (LAX). Organizations such as ARSAC, Neighborhood Council of Westchester/Playa, Westchester Neighbors Association, Westchester Vitalization Corporation, LAX Coastal Chamber of Commerce, Westchester Town Center Business Improvement District, the Gateway to LA Century Boulevard Business Improvement District, the cities of Culver City, El Segundo, Hawthorne and Inglewood as well as the County of Los Angeles should always be on the stakeholder contact list. As was evidenced with the recently approved LAX Northside project, active engagement with the community in two-way conversations and idea sharing has resulted in a win-win project that satisfied LAWA needs and community concerns. Note how there were no protests or litigation as a result of the LAX Northside project approval..

**Response:** Comment noted. LAWA posted a draft NELA for TNC services for public comment on the LAWA website ([www.ourlax.org](http://www.ourlax.org)) on April 27, 2015. LAWA received 15 comment letters on the draft NELA for TNC services prior to the July 16, 2015 BOAC Regular Open Session. LAWA staff reviewed and considered all public comments received and modified the draft NELA to address appropriate

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concerns raised during the public comment period. Also, please see response to Comment 2.

#### Comment 4

**COMMENT:** Environmental Review. Considering that LAWA is contemplating allowing Transportation Network Companies (TNC's) to provide ground transportation at LAX, this is a new program and it should be assessed under the California Environmental Quality Act (CEQA) and the National Environmental Quality Act (NEPA). Environmental review is critical as the draft NELA-TNC states that 40 vehicles per TNC licensee would be allowed into the LAX "Geo-fence" and that the LAWA Executive Director can increase that number. There is no criterion such as parameters or limits in the draft for increasing the number of TNC vehicles. TNC vehicle operations at LAX will create environmental impacts such as traffic, noise, pollution, light and glare, security and safety issues. LAWA should not proceed with a TNC program without first completing the appropriate environmental approvals.

Specific to traffic, by creating a NELA-TNC program, this new TNC ground traffic may exceed the ground transportation trip limits that LAWA committed to in the approved LAX Master Plan 2015 Environmental Impact Report and Environmental Impact Statement (EIR and EIS). In addition, TNC vehicles will add more traffic impacts to the residential streets and adjacent intersections as there are thresholds for impact during the peak AM and PM hours. Please reference these impacts per the City of Los Angeles Traffic Study Policies and Procedures (June 2013). At the very least, a technical memorandum needs to be created to determine if a traffic study is required. Some of the streets impacts within the Westchester/Playa del Rey Plan and LAX Plan (LA City General Plan areas) will be Vista del Mar, Pershing, Nicholson, Waterview, Napoleon, Manitoba, Falmouth, Loyola, Lincoln, Sepulveda, Sepulveda Westway, Sepulveda Eastway, Airport, Truxton, Aviation, La Cienega, Jefferson, 74th Street, 76th Street, 77th Street, 78th Street, 79th Street, 80th Street, McConnell, Emerson, 83rd Street, Manchester, Westchester Parkway, Arbor Vitae, Century Boulevard, Imperial Highway, La Tijera, Osage and Florence. It is possible that 40 TNC vehicles per hour per TNC operator will exceed the LA DOT threshold.

Specific to pollution, not all TNC vehicles are known to be clean fuel. The AQMD has conducted studies at LAX on mobile source emissions. By allowing in more vehicles into LAX that are not required to be clean fuel, this will negate some of the emissions reductions made by LAWA with its own fleet and the fleets of other ground transportation providers. LAWA must account for the TNC vehicles and their potential pollution impacts as well as mitigation measures.

**Response:** Comment noted. 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

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access the airport. 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.

Because TNC are in effect substituting for POV trips to the airport, 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 83 trips during the peak hour (30% of the estimated 277 peak hour TNC trips). Of these 83 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. 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.

Per Section G, *Monitoring and Reporting*, of the Los Angeles International Airport Specific Plan, LAWA is required to prepare an Annual Traffic Generation Report that identifies the “current number of Trips being generated by LAX, the number of Trips anticipated to be generated at the completion of any Master Plan Project(s) in development at the time of the report, the Trips proposed to be generated following the implementation of the Master Plan as informed by current and Project-based Trip counts, and the number of Trips anticipated to be generated by on-going Master Plan construction activities.” The Environmental Impact Report (EIR) for the LAX Master Plan forecasted 8,236 net new trips during the airport peak hour at full build-out and after implementation of mitigation measures. According to the *2014 Traffic Generation Report for LAX*, the total number of trips for the airport peak hour of 11 a.m. to 12:00 p.m. was as

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follows:

1996 Airport Peak Hour Volume (Base Year)	17,725 trips
2014 Airport Peak Hour Volume	15,445 trips
2015 Airport Peak Hour Volume (Projected from 2004 EIR)	26,011 trips

These volumes show that the 2014 airport peak hour volumes are less than the base year, and do not come close to the trip cap of 26,011 trips. As stated above, it is anticipated that issuance of a NELA for TNC services at LAX is anticipated to generate approximately 277 trips during the airport peak hour. This volume of trips will not exceed the trip cap.

TNCs require that their drivers utilize cars of model years 2000 and newer, whereas POVs can be any model year. When comparing the emissions associated with TNCs during the peak hour to emissions associated with POVs representing the average age of cars and light duty trucks in Los Angeles County in 2014, the emissions associated with the TNC trips are less than the emissions associated with the POVs they would be replacing. Furthermore, there are currently over 10,000 commercial vehicles operating under a NELA to access the CTA at LAX which do not fall under AQMD's green fleet rules or under LAWA's alternative fuel policy for vehicles 8,500 pounds or greater. Thus, LAWA anticipates that the substitution of TNCs for POVs will not result in air quality impacts.

#### Comment 5

**Comment:** Geo-Fence. The current northern boundary is not correctly defined. Westchester Parkway extends from Pershing Drive to Airport Boulevard. East of Airport Boulevard, Westchester Parkway is named Arbor Vitae to the City of Los Angeles border at La Cienega. We request that the Geo-fence boundary be expanded with La Cienega as the eastern boundary. With the expanded boundary, future facilities proposed in the LAX Landside Access Modernization Project (LAMP) such the Intermodal Transportation Facility (ITF) will be included within the Geo-Fence.

While we agree with the concept of a Geo-fence, we disagree with the use of a Geo-fence relying solely on the TNC driver to operate the mobile application appropriately. We request that all TNC vehicles have a transponder installed as a primary verification. The transponder can be similar to the ones that are used for the 110 toll lanes and the Orange County toll roads. In the case of the TNC transponder, this one should be installed in the lower right hand corner inside the windshield. The TNC transponder would have the TNC company name, a vehicle number, an expiration date and either an LAX or City of Los Angeles seal or logo. In addition to being a part of the "trade dress" for the TNC vehicle, it will provide Airport Police and TNC customers something to authenticate that the TNC vehicle is a legitimate, licensed operation.

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The proposed 2-mile exclusion zone from the Geo-fence will hurt local businesses, especially those located inside the Geo-fence such as In-N-Out Burger, Melody Pizza, Burger King, Century Boulevard hotels and restaurants and other businesses such as doctors, dentists, chiropractors and even LAWA offices. The Geofence limit may also cause problems for TNC drivers if they have to take customers on Sepulveda Boulevard where no LAX stop is involved. An example would be a hotel guest at the DoubleTree Suites in El Segundo wanting to go to the Nordstrom Rack store in the Westfield Culver City Fox Hills Mall. Under the proposed Geo-fence which does not appear to allow "pass through" traffic, a TNC driver would have to drive on Vista del Mar, La Cienega or the 405 freeway to get around the Geo-fence. This type of detour could result in TNC's cutting through residential neighborhoods. We appreciate LAWA's efforts to reduce airport related parking in adjoining residential areas.

Finally, there may be TNC drivers who live within 2 miles of the Geo-fence. The draft document does not address how to deal with this.

**Response:** Comment noted. The NELA approved by BOAC on July 16, 2015 includes the following requirements for tracking TNC drivers:

#### **Section 7. TNC Driver Identification and Vehicle Trip Tracking.**

7.1. Unique TNC Driver Identification. In an electronic form and frequency acceptable to LAWA, Licensee shall provide the City with a unique identifier ("Digital ID") for each TNC Driver who may conduct business on Airport property, inside the Geo -Fence Area, inside the Designated TNC Airport Assignment Area, or inside Designated TNC Staging Areas pursuant to this License. At a minimum, the Digital ID shall allow the City to confirm the following information for any TNC Driver and TNC Vehicle:

- a) Driver unique identification number;
- b) License plate number; If the TNC Vehicle is newly purchased and TNC Driver has not yet received the license plate, the last 7 digits of the Vehicle Identification Number (VIN) must be included.
- c) The number of active rides in the vehicle
- d) Vehicle location on street map in real time, with time stamp, and a history of the vehicle's service within the Geo -Fence Area.

#### **7.2. Vehicle Tracking**

7.2.1. All TNC Vehicles shall be identified electronically for each TNC Trip by a unique number and the TNC license plate number. The unique number shall be linked by the Licensee to the driver in a manner that allows LAWA to audit Licensee's compliance with all License terms and all operating requirements established by the CPUC. Consistent with the auditing and reporting provisions in this License, LAWA shall periodically audit Licensee's records with

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respect to its operation at Airport. For the term of this License, all such audits shall take place in Licensee's corporate offices within the state of California. The TNC Mobile App access provided shall allow City to view, search, query, and create reports on Trip transactions in real time, as well as access historical information in both report and map format. City shall be able to access all required information for authorized TNC Drivers pursuant to 7.1 above.

#### 7.2.2. Trip Tracking Triggers

TNC Driver must maintain an open application at all times while on Airport property inside the Geo -Fence Area, inside the Designated TNC Airport Assignment Area, and inside the Designated TNC Staging Area(s).

- When a TNC Driver initiates a Trip by accepting a ride request from a passenger within the Geo -Fence Area, in a form acceptable to LAWA, Licensee shall electronically notify LAWA by providing the following information: Digital ID, vehicle license plate number and/or VIN, date, time, geographic location of assignment, and pickup location.
- Upon entry into the Geo -Fence Area to either pick -up or drop -off a passenger, in an electronic form acceptable to LAWA, Licensee shall instantaneously notify LAWA providing all information associated with the Digital ID, vehicle license plate number and/or VIN, date, time, and geographical location of the TNC Vehicle.

7.2.3. No Loitering. Licensee shall demonstrate to LAWA that Licensee has established mechanisms and procedures requiring each TNC Driver to leave the Geo -Fence Area expeditiously after discharging or picking up a passenger and shall at all times make available to LAWA information related to the number and location of TNC Vehicles in the Geo -Fence Area.

7.2.4. Unassigned TNC Vehicles, Unassigned TNC Vehicle Cap. Licensee shall at all times demonstrate to the City that Licensee can account for the number of its Unassigned TNC Vehicles within the Designated TNC Airport Assignment Area and Designated TNC Staging Areas and shall ensure that such number shall not persistently exceed an Unassigned TNC Vehicle Cap of forty (40) TNC Vehicles in areas where the Unassigned TNC Vehicle Cap is applicable, or such number approved by the Executive Director in his or her sole discretion by prior written notice to Licensee.

7.2.5. Trip Reports. Licensee shall log and periodically report to LAWA, in frequency acceptable to LAWA, all instances in which a TNC Vehicle crosses the Geo- Fence. Such logs and reports, or other acceptable means, shall be used to validate Trip Fees to be paid to LAWA, compliance with Airport Rules and Regulations and/or License terms by Licensee as set forth in this License Agreement.

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Note that the Geo-Fence has been revised to address ARSAC (and other parties) concerns about the ability of passengers to utilize TNCs to access local businesses and residences. 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. 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.

#### **Comment 6**

**Comment:** Use of Upper Level Roadway. We oppose TNC vehicles operating in the Central Terminal Area (CTA). LAWA has already begun a LAX Landside Access Modernization Project (LAMP) with the goal of reducing the number of vehicles accessing the CTA. Allowing TNC vehicles into the CTA will run contrary to the goals of LAMP to reduce CTA traffic by increasing traffic in an already over congested CTA. By allowing TNC vehicles into the CTA that could be accommodated elsewhere such as Parking Lots B and E on 111<sup>th</sup> Street between Aviation and La Cienega, LAWA will be creating the nightmare traffic scenario of every day being Thanksgiving Day. Thanksgiving Day is the generally the busiest day of the year at LAX.

**Response:** Comment noted. As noted in response to Comment 1, TNCs already drop off passengers on either the arrivals or departures level of the CTA. As noted in response to Comment 4, 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. 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.

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## Comment 7

**Comment:** Designated Staging Area (DSA). To date, LAWA has not provided where the DSA will be located. We ask that LAWA recirculate a second draft for comment that includes the proposed DSA. We recommend that the underutilized Parking Lots B and E on 111th Street between Aviation and La Cienega serve as the Designated Staging Area for all TNC vehicles. This is the location where TNC passengers can be picked and dropped off. LAWA can provide a shuttle bus between the DSA and the CTA terminals. These convenient parking lots are very close to the freeway entrances and exits for the 405 north and south as well as the 105 west offramp and 105 east onramp. This location is away from residential areas and can be easily monitored by LAX Landside Operations and the LAWA Police Department. When LAWA has completed construction of the Intermodal Transportation Facility (ITF) as a part of LAX Landside Access Modernization Project (LAMP), then LAWA can study whether or not to move TNC operators to the ITF.

**Response:** Comment noted. The NELA approved by BOAC on July 16, 2015 establishes 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. The TNC Assignment Area was purposefully designated along the commercial corridor immediately north of Century Boulevard, south of any residential areas. 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.

## Comment 8

**Comment:** Security. As LAX is the number one terrorist target on the West Coast, it is highly important that all TNC drivers must be required to have an LAX identification badge and to meet the current requirements for an LAX ID badge including finger printing and criminal background checks. An LAX ID badge will also help to provide passengers some assurance that they are not using unlicensed or bandit ground transportation services. LAWA should reply on its existing badging process for screening TNC drivers. This will serve as a double-check to the TNC operators internal processes to protect the traveling public from felons and registered sex offenders.

**Response:** Comment noted. The NELA approved by BOAC on July 16, 2015 includes requirements for TNC Driver Training (Section 8) and TNC Driver and TNC Vehicle Requirements (Section 9). These are:

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## **Section 8. TNC Driver Training.**

- 8.1. Licensee shall ensure its TNC Drivers are fully informed, trained, and comply with the provisions of this License and the Airport Rules and Regulations prior to any initial service in the City. Licensee shall make its Airport training available for review upon request by the Executive Director. Additionally, prior to engaging in operations under this License Licensee shall attend orientation training at an Airport location determined by the Executive Director or his or her designee, and shall convey the substance of the training to each of their TNC Drivers before each such driver operates in the Geo -Fence Area.
- 8.2. Notice to Drivers. Licensee shall promptly notify TNC Drivers of any and all current and changed License conditions and/or Airport Rules and Regulations and shall promptly notify the City, in writing, that it has done so. Further, each time an individual TNC Driver fails to comply with the conditions of this License, whether such failure is discovered by Licensee or brought to Licensee's attention by the City, Licensee shall promptly notice such TNC Driver, direct TNC Driver to immediately come into compliance, and Licensee shall promptly notify the City, in writing, that it has done so.

## **Section 9. TNC Driver and TNC Vehicle Requirements.**

TNC Drivers and TNC Vehicles must continuously be in compliance with all laws including but not limited to California Public Utilities Code, the CPUC rules and regulations governing TNCs, as well as Airport' s Rules and Regulations, including but not limited to the following:

- a) TNC Driver shall have a valid California Driver's License,
- b) TNC Driver shall have valid automobile insurance meeting the minimum requirements for the State of California and the City;
- c) TNC Driver has been subject to a national and DMV record check and criminal history check by Licensee, in compliance with the CPUC Decision and/or amendments thereto, and any subsequent laws. TNC Driver shall not have any conviction, within the past seven years, of:
  - driving under the influence,
  - fraud,
  - a crime involving property damage and/or theft, or
  - acts of violence.

TNC Driver shall not have any convictions for:

- reckless driving,
- sexual offenses,
- use of a motor vehicle to commit a felony,
- driving under the influence of drugs or alcohol, hit and run
- driving with a suspended or revoked license, or
- acts of terror.

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- d) TNC Vehicle shall only be street -legal coupes, sedans, vans, mini vans Sports Utility Vehicles (SUVs) and pick -up trucks. TNC Vehicle shall not be significantly modified from original factory specifications.
  - e) TNC Vehicle shall have been subject to and has completed the nineteen (19) point inspection by Licensee, as described in the CPUC Decision, and any subsequent laws.

## Comment 9

**Comment:** Governance and Transparency. The draft DSA leaves certain discretion to the Executive Director without the approval of the Board of Airport Commissioners (BOAC) and/or without any public notice. In the case of the former, in Section 4.4 (page 13), the Executive Director can set the rate for use of the DSA. The setting and approval of rates for landing fees, terminal rents, ground leases, concessions fees and ground transportation fees has been the domain of BOAC which is charged in the City Charter to have oversight of the Department of Airports. The BOAC should approve the location of the DSA and the setting of DSA use rates. By having this type of matter on the BOAC agenda, it gives the public some notice and an opportunity to provide input. Ideally, LAWA staff would do public outreach before bringing matters such as this one to BOAC. In the latter, when the Executive Director takes actions such to approve to terminate NELA-TNA licenses, where is that made available to the public? LAWA needs to increase its transparency as an organization.

**Response:** Comment noted. The NELA for TNC services approved by BOAC on July 16, 2015 contains the following provisions:

6.2. Use of Designated TNC Staging Areas. City reserves the right to charge a fee for use of the Designated TNC Staging Area(s) in amounts determined by the Board of Airport Commissioners.

### Section 12. Fees

12.1. Trip Fees. Except as hereinafter provided, Licensee shall pay to LAWA the following Trip fee ( "Trip Fee ") for the license rights granted herein for services rendered at Airport.

12.2. The Trip Fee shall be Four Dollars (\$4.00) per Trip or such fee as approved by the Board of Airport Commissioners.

## Comment 10

**Comment:** TNC Vehicle Tracking (Section 3.6). As noted above, we favor transponders in all TNC vehicles approved for LAX as the primary tracking. The mobile app should be a secondary verification. LAWA should compare the data between the transponders and the mobile app to identify discrepancies and possible fraud.

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**Response:** Comment noted. The NELA approved by BOAC on July 16, 2015 includes requirements for tracking TNC drivers (Section 7). Please see response to Comment 5.

**Comment 11**

**Comment:** Delinquent Payment (Section 6). There needs to be an operational penalty for non-payment or 60 day delinquent payment by making a suspension or revocation of a TNC license. There are too many examples in the City of Los Angeles where revenue due to the City is not collected due to poor accounting and bad management practices.

**Response:** Comment noted. Section 13 of the NELA for TNC services approved by BOAC on July 15, 2015 includes the following fines:

**Section 13. Fines**

13.1. The LAWA may impose or levy fines against Licensee, and/or TNC Drivers, for engaging in prohibited conduct. Specific fines for specific prohibited conduct are described below, and/ or in the Airport Rules and Regulations.

13.2. If Licensee defaults under any of the License terms specified below, LAWA may elect to impose administrative fines described below on a per violation basis:

<b>Violation</b>	<b>Article</b>	<b>Section(s)</b>	<b>Fine</b>
Failure to adhere to TNC Driver, TNC Vehicle Requirements	1	7, 8, 9	\$200/incident
Failure to Pay Monthly Fees	1	12	\$100/day
Failure to Provide Required Reports	1	16	\$300/day
Failure to accurately report a TNC Trip	1	7, 16	\$300/Trip
Engaging in other prohibited activities			\$100/incident
Failure to Maintain Required Vehicle insurance certificates	2	2	\$100/day/vehicle

LAWA' s right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules and Regulation, or at law or in equity. LAWA shall have no obligation to Licensee to impose fines on or otherwise take action against any other Licensee or tenant at the Airport.

Additionally, Section 14 assigns performance penalties for delinquent payments:

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## Section 14. Performance Penalty for Delinquent Payment

- 14.1. Payment of obligations shall be delinquent if not received by the LAWA within ten (10) days following the due date. Without waiving any rights available under this agreement or by law, in the event of delinquent payments, Licensee recognizes that LAWA will incur certain expenses, the amount of which is difficult to ascertain. Therefore, in addition to payment(s) owing, Licensee agrees to pay the liquidated damages set forth below to compensate LAWA for all expenses and/or damages and loss resulting from said delinquent payments by Licensee.
- 14.2. The performance penalty for delinquent payments shall consist of simple interest of one percent (1 %) of the estimated invoice amount remaining unpaid per month, or part thereof, from the date of the delinquency until the close of the business day upon which the delinquency payment is received by the City. Maximum rate shall not exceed ten percent (10 %) of delinquent balance.
- 14.3. If delinquent account is not settled after ninety (90) days from the due date, City may draw such delinquent payments from the deposit required pursuant to Section 15. Faithful Performance Guarantee (FPG). FPG draw shall apply first to unpaid liquidated damages, then to remaining delinquent balances. Delinquent balance remaining after FPG draw shall continue to be assessed for performance penalties pursuant to Section 14.2 herein.
- 14.4. In no event shall License be renewed unless and until all fees owing to the Airport, by Licensee and its TNC Drivers, have been paid in full.

### Comment 12

**Comment:** Disabled Passenger Access (Section 18). The draft NELA-TNC needs to be more specific as how TNC licensees will accommodate passengers with disabilities. LAWA describes a 15% penalty, but nothing more. LAWA needs to make certain that it is complying with the Americans with Disabilities Act (ADA) and that disabled passengers are able to access ground transportation, including with TNC's. With the Special Olympics World Games coming to Los Angeles this summer, will the TNC operators be ready?

**Response:** Comment noted. Article 2, Standard Terms and Provisions, Section 8 of the NELA for TNC services approved by BOAC on July 16, 2015 addresses Disabled Access as follows:

### Section 8. Disabled Access.

8.1 Licensee shall be solely responsible for fully complying with any and all applicable present and/future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabilities and disabled access, including any services, programs, improvements or activities provided by Licensee. Licensee shall be solely responsible for any and all damages caused by,

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and/or penalties levied as the result of, Licensee's noncompliance. Further, Licensee agrees to cooperate fully with City in its efforts to comply with the Title II of the Americans with Disabilities Act of 1990, as amended by the final rule published on September 15, 2010, and any amendments thereto, or successor statutes. The Licensee shall comply with 49 CFR 37. Special attention shall be given to: 49 CFR §37.5, §37.105; §37.161; §37.165; §37.167; § 37.171; §37.173; §37.207. In addition to federal requirements, Licensee shall also be required to comply with Title III of the Americans with Disabilities Act, as amended and any amendments thereto, or successor statutes, and the State of California disabilities laws. Among these, though not all inclusive are the Unruh Civil Rights Act, Civil Code §54; Civil Code § 54.1; Civil Code §51.5; and Government Code § 12948.

TNC Drivers shall submit a monthly summary of all disability complaints, to Licensee, arising from service to or from LAX. Said summary(ies) shall be issued to LAWA of all incidents, as a Report, in a form to be approved by LAWA, by the 15th day of each month. Reports shall list the name and contact number of the complainant, date of incident, location of incident, nature of the complaint; name and phone number of Licensee's employee responsible for resolution of the complaint with contact number. LAWA at its sole discretion may provide a form containing the required information needing to be provided. Unresolved complaints shall carry over each month until resolved. At LAWA's discretion, Licensee shall meet with LAWA's ADA Coordinator on every complaint that is unresolved after 90 days.

Reports shall be sent to:

Los Angeles World Airports  
Office of the Coordinator for Disability Services  
P.O. Box 92216  
Los Angeles, CA 90009 -2216

Licensee shall ensure a disabilities training course complying with 49 CFR 37.173, is implemented for drivers serving Airport(s). Licensee shall ensure that TNC drivers taking the course complying with 49 CFR 37.173, are proficient in their understanding of disability etiquette and regulations pertaining to service animals, transportation of wheelchairs, and other assistive processes used by persons with disabilities. Licensee shall make available to LAWA' s Office of the Coordinator for Disability Services, a copy of the training material used to comply with 49 CFR 37.173.

Licensee shall keep records of all trips made by drivers to and from Airport(s). Said information shall be made available to LAWA's Office of the Coordinator for Disability Services in the event a disabilities related complaint is received by the office.

8.2 Should Licensee fail to comply with Subsection 8.1, then LAWA shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Licensee will then be

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required to reimburse LAWA for the actual cost of achieving compliance, plus a fifteen percent (15 %) administrative charge.

### Comment 13

**Comment:** Fines (Section 21.4). The proposed fines for filing monthly financial reports are too low at \$100. Please consider \$1,000 per monthly report or more to ensure compliance.

**Response:** Comment noted. The NELA for TNC services approved by BOAC on July 16, 2015 stipulates a fine of \$300/day for failure to provided required reports. See also response to Comment 11.

### Comment 14

**Comment:** Insurance (Exhibit A). TNC operators should meet the same insurance requirements as other ground transportation operators at LAX. We appreciate that LAWA is seeking to require the same high standard of insurance as required of other ground transportation providers.

**Response:** Comment noted. The NELA for TNC services approved by BOAC on July 16, 2015 requires that all TNC and TNC drivers maintain insurance coverage as required by the California Public Utilities Commission (CPUC) and any and all insurance coverage required by the local, state, and/or federal government.

### Comment 15

**Comment:** Pricing. LAWA should prohibit TNC operators from engaging in “surge” pricing during peak periods for pickups at LAX. No one should be “taken for a ride” when departing LAX. Pricing guidelines should be available to passengers at LAX for the various ground transportation options. This information can be on kiosks in terminal arrivals areas, at ground transportation pickup locations and on LAWA’s website.

**Response:** Comment noted. LAWA and BOAC do not dictate rates TNCs charge customers.

### Comment 16

**Comment:** Please contact us if you have any questions. We look forward to having an ongoing dialogue with you on this and other LAX issues.

**Response:** Comment noted.

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August 7, 2015

***Via Federal Express***

Councilmember Mike Bonin  
200 N. Spring St., Room 475  
Los Angeles, CA 90012

Councilmember Bob Blumenfield  
200 N. Spring St., Room 415  
Los Angeles, CA 90012

Ms. Holly L. Wolcott, City Clerk  
200 N. Spring Street, Room 360  
Los Angeles, CA 90012

Sean Burton, President  
Board of Airport Commissioners  
Los Angeles World Airports  
1 World Way  
Los Angeles, CA 90045

Deborah Ale Flint  
Executive Director,  
Los Angeles World Airports  
1 World Way  
Los Angeles, CA 90045

Re: Appeal of Non-Exclusive License Agreements With Transportation Network Companies Approved as BOAC Agenda Item 15, July 16, 2015; Public Resources Code § 21151 (c)

Honorable Councilmembers, City Clerk, President Burton, and Executive Director Flint:

On behalf of the Alliance for a Regional Solution to Airport Congestion (“Appellants”), we hereby appeal pursuant to the California Environmental Quality Act (“CEQA”) the July 16, 2015 decision by the Board of Airport Commissioners to approve Non-Exclusive License Agreements to Transportation Network Companies (TNCs) allowing private vehicles to be used for commercial transportation services from LAX (“the Project”).

Section 21151 of the Public Resources Code provides, “If a nonelected decisionmaking body of a local lead agency . . . determines that a project is not subject to this division [CEQA], that . . . determination may be appealed to the agency’s elected decisionmaking body, if any.”

As the Board of Airport Commissioners is not an elected decisionmaking body, its determinations under CEQA are appealable to the City’s elected decisionmaking body, the City Council.

Councilmembers Bonin and Blumenfield,  
Ms. Holly L. Wolcott, City Clerk,  
Pres. Burton, Ex. Dir. Flint  
August 7, 2015  
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Appellants respectfully urge the City Council to deny approval of the Project until an environmental impact report (EIR) has been prepared that adequately discloses and mitigates the impacts of the NELA.

Appellants have submitted a letter dated May 15, 2015, which is attached, raising various objections that have not been addressed. The concerns include: public participation, environmental review, geo-fence boundary, Designated Staging Areas, security, governance and transparency, delinquency payment, disabled passenger access, fines, insurance, and pricing.

In proposing to permit TNC's at LAX, BOAC failed to consider that permitting thousands of personal vehicles to engage in commercial operations on the airport's rights of way will result in increased vehicle emissions and public health and safety impacts at what is already a heavily congested airport. Therefore, we ask that you conduct an environmental review as required by the California Environmental Quality Act (Pub. Resources Code Section 21000 et seq.) (CEQA), before any approval of the TNC License Agreement.

The potential approval of a license agreement for TNCs to operate is a "project" within the meaning of CEQA. The Project is not exempt from CEQA pursuant to exemptions under Title 14 of California Code of Regulations ("CEQA Guidelines") section 15301- the "existing facilities" exemption- and section 15061 (b)(3)- the "common sense" exemption. Neither of these exemptions from CEQA is applicable.

A TNC NELA is not exempt under section 15301 because it is not an existing "facility." The word facility refers to a physical structure. The exemption expressly states:

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.

TNCs are not "structures, facilities, mechanical equipment, or topographical features." Therefore, this exemption provided by section 15301 is plainly inapplicable.

The common sense exemption of CEQA Guidelines section 15061 is equally inapplicable. It states "(3) The activity is covered by the general rule that CEQA applies

Councilmembers Bonin and Blumenfield,  
Ms. Holly L. Wolcott, City Clerk,  
Pres. Burton, Ex. Dir. Flint  
August 7, 2015  
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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.”

Contrary to this lack of possibility of impacts, to permit TNC’s to operate at LAX under less restrictive health and safety requirements than traditional, highly regulated charter-party carriers and taxicabs will significantly increase air pollution and will seriously impair public health and safety. Adverse public safety impacts are foreseeable based on past TNC performance. Thus, in ARSAC’s May 15, 2015 letter, we requested that security concerns be addressed. Foreseeable public safety impacts must be addressed during CEQA review. (*City of Maywood v. Los Angeles Unified School District* (2012) 208 Cal. App. 4th 362, 395 [EIR should have evaluated the effect of a roadway and a pedestrian bridge on pedestrian safety].)

Additionally, as ARSAC identified in the May 15, 2015 letter, air quality conditions in the Los Angeles region, especially around LAX, are likely to be aggravated by permitting TNC operations because they do not adhere to the same clean fuel and clean vehicle requirements as other commercial transportation companies. The California Public Utilities Commission (PUC), which issued an Order Instituting Rulemaking on Regulations Relating to TNCs, recognized that “40% of the greenhouse gas emissions in the state of California” are contributed by the transportation sector. (“Decision Adopting Rules And Regulations To Protect Public Safety While Allowing New Entrants To The Transportation Industry,” CPUC Decision 13-09-045 issued September 19, 2013 in Rulemaking 12-12-011, p. 23; available at [http://sfcdca.org/CPUC/CPUC\\_Decision\\_13-09-045.pdf](http://sfcdca.org/CPUC/CPUC_Decision_13-09-045.pdf).) Cities and counties, such as Los Angeles, San Francisco, Orange, and Fresno, impose clean fuel or clean vehicle requirements on their licensed taxicab services.” (LA Taxicab Rules and Regulations section 401 (b) and (e) among others [requiring Ultra-Low Emission Vehicle (ULEV) or better standards]; see [http://ladot.lacity.org/stellent/groups/departments/@ladot\\_contributor/documents/contributor\\_web\\_content/lacityp\\_027010.pdf](http://ladot.lacity.org/stellent/groups/departments/@ladot_contributor/documents/contributor_web_content/lacityp_027010.pdf).) Allowing TNCs to evade the clean fuel or clean vehicle requirements is unfair to other transportation companies and is likely to increase air pollution impacts considerably.

Such a NELA would also allow violation of South Coast Air Quality Management Rule 1194, which requires "For all public and private fleets that provide passenger transportation services out of commercial airports operating in the South Coast Air Quality Management (District), . . fleet operators [must] acquire cleaner burning or

Councilmembers Bonin and Blumenfield,  
Ms. Holly L. Wolcott, City Clerk,  
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alternative-fueled vehicles to reduce air toxic and criteria pollutant emissions when procuring or leasing these vehicles in the District unless otherwise exempt." TNCs may not deny they are fleet operators on the theory that their drivers are independent operators, since federal courts and the California Labor Commission have concluded that TNC drivers are employees. (<http://www.wsj.com/articles/court-rulings-may-redefine-ride-sharing-drivers-1422922890> and <http://www.reuters.com/article/2015/06/17/us-uber-california-idUSKBN0OX1TE20150617>.)

Appellants look forward to your scheduling the hearing on this appeal.

Thank you for your consideration of this matter.

Sincerely,



Douglas P. Carstens

Enclosure: ARSAC letter dated May 15, 2015



**ARSAC** *Alliance for a Regional Solution to Airport Congestion*  
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322 Culver Blvd., #231 Playa del Rey, CA 90293 (box)  
310 641-4199 [WWW.RegionalSolution.org](http://WWW.RegionalSolution.org) [info@regionalsolution.org](mailto:info@regionalsolution.org)

May 15, 2015

Mr. Steve Martin  
Chief Operating Officer  
Los Angeles World Airports  
1 World Way  
Westchester, CA 90045

Via email: [TNCcommnet@lawa.org](mailto:TNCcommnet@lawa.org)

Re: Draft Non-Exclusive License Agreement- Transportation Network Companies (NELA-TNC)

Dear Mr. Martin:

We appreciate the opportunity to comment on this draft. We are providing comments by topic.

In summary, we oppose TNC operations in the LAX Central Terminal Area (CTA) as it will increase traffic in an already over congested area, but we would support them in underutilized parking lots such as Parking Lots B and E serviced by shuttle buses.

We request that comments and questions from us and other groups be considered and incorporated into a second draft for final comments. We also ask that all of the NELA-TNC comment letters and drafts be posted on the LAWA website and that the revised draft NELA-TNC is re-circulated again for public comment before the final proposed NELA-TNC is submitted to the Board of Airport Commissioners for their consideration.

1. **Public Participation.** In light of an important issue such as this, what outreach efforts did LAWA make to stakeholders on the draft NELA-TNC? Who were the stakeholders contacted? Is the draft NELA-TNC on the LAWA website? The communities surrounding LAX are constantly impacted by the traffic, noise, pollution and road safety of ground transportation going into and out of Los Angeles International Airport (LAX). Organizations such as ARSAC, Neighborhood Council of Westchester/Playa, Westchester Neighbors Association, Westchester Vitalization Corporation, LAX Coastal Chamber of Commerce, Westchester Town Center Business Improvement District, the Gateway to LA Century Boulevard Business Improvement District, the cities of Culver City, El Segundo, Hawthorne and Inglewood as well as the County of Los Angeles should always be on the stakeholder contact list. As was evidenced with the recently approved LAX Northside project, active engagement with the community in two-way conversations and idea sharing has resulted in a win-win project that satisfied LAWA needs and community concerns. Note how there were no protests or litigation as a result of the LAX Northside project approval.

2. **Environmental Review.** Considering that LAWA is contemplating allowing Transportation Network Companies (TNC's) to provide ground transportation at LAX, this is a new program and it should be assessed under the California Environmental Quality Act (CEQA) and the National Environmental Quality Act (NEPA). Environmental review is critical as the draft NELA-TNC states that 40 vehicles per TNC licensee would be allowed into the LAX "Geo-fence" and that the LAWA Executive Director can increase that number. There is no criterion such as parameters or limits in the draft for increasing the number of TNC vehicles. TNC vehicle operations at LAX will create environmental impacts such as traffic, noise, pollution, light and glare, security and safety issues. LAWA should not proceed with a TNC program without first completing the appropriate environmental approvals.

Specific to traffic, by creating a NELA-TNC program, this new TNC ground traffic may exceed the ground transportation trip limits that LAWA committed to in the approved LAX Master Plan 2015 Environmental Impact Report and Environmental Impact Statement (EIR and EIS). In addition, TNC vehicles will add more

*ARSAC Alliance for a Regional Solution to Airport Congestion*  
*7929 Breen Ave. Los Angeles, CA 90045 (physical)*

traffic impacts to the residential streets and adjacent intersections as there are thresholds for impact during the peak AM and PM hours. Please reference these impacts per the City of Los Angeles Traffic Study Policies and Procedures (June 2013). At the very least, a technical memorandum needs to be created to determine if a traffic study is required. Some of the streets impacts within the Westchester/Playa del Rey Plan and LAX Plan (LA City General Plan areas) will be Vista del Mar, Pershing, Nicholson, Waterview, Napoleon, Manitoba, Falmouth, Loyola, Lincoln, Sepulveda, Sepulveda Westway, Sepulveda Eastway, Airport, Truxton, Aviation, La Cienega, Jefferson, 74<sup>th</sup> Street, 76<sup>th</sup> Street, 77<sup>th</sup> Street, 78<sup>th</sup> Street, 79<sup>th</sup> Street, 80<sup>th</sup> Street, McConnell, Emerson, 83<sup>rd</sup> Street, Manchester, Westchester Parkway, Arbor Vitae, Century Boulevard, Imperial Highway, La Tijera, Osage and Florence. It is possible that 40 TNC vehicles per hour per TNC operator will exceed the LA DOT threshold.

Specific to pollution, not all TNC vehicles are known to be clean fuel. The AQMD has conducted studies at LAX on mobile source emissions. By allowing in more vehicles into LAX that are not required to be clean fuel, this will negate some of the emissions reductions made by LAWA with its own fleet and the fleets of other ground transportation providers. LAWA must account for the TNC vehicles and their potential pollution impacts as well as mitigation measures.

3. Geo-Fence. The current northern boundary is not correctly defined. Westchester Parkway extends from Pershing Drive to Airport Boulevard. East of Airport Boulevard, Westchester Parkway is named Arbor Vitae to the City of Los Angeles border at La Cienega. We request that the Geo-fence boundary be expanded with La Cienega as the eastern boundary. With the expanded boundary, future facilities proposed in the LAX Landside Access Modernization Project (LAMP) such the Intermodal Transportation Facility (ITF) will be included within the Geo-Fence.

While we agree with the concept of a Geo-fence, we disagree with the use of a Geo-fence relying solely on the TNC driver to operate the mobile application appropriately. We request that all TNC vehicles have a transponder installed as a primary verification. The transponder can be similar to the ones that are used for the 110 toll lanes and the Orange County toll roads. In the case of the TNC transponder, this one should be installed in the lower right hand corner inside the windshield. The TNC transponder would have the TNC company name, a vehicle number, an expiration date and either an LAX or City of Los Angeles seal or logo. In addition to being a part of the "trade dress" for the TNC vehicle, it will provide Airport Police and TNC customers something to authenticate that the TNC vehicle is a legitimate, licensed operation.

The proposed 2-mile exclusion zone from the Geo-fence will hurt local businesses, especially those located inside the Geo-fence such as In-N-Out Burger, Melody Pizza, Burger King, Century Boulevard hotels and restaurants and other businesses such as doctors, dentists, chiropractors and even LAWA offices. The Geo-fence limit may also cause problems for TNC drivers if they have to take customers on Sepulveda Boulevard where no LAX stop is involved. An example would be a hotel guest at the DoubleTree Suites in El Segundo wanting to go to the Nordstrom Rack store in the Westfield Culver City Fox Hills Mall. Under the proposed Geo-fence which does not appear to allow "pass through" traffic, a TNC driver would have to drive on Vista del Mar, La Cienega or the 405 freeway to get around the Geo-fence. This type of detour could result in TNC's cutting through residential neighborhoods. We appreciate LAWA's efforts to reduce airport related parking in adjoining residential areas.

Finally, there may be TNC drivers who live within 2 miles of the Geo-fence. The draft document does not address how to deal with this.

4. Use of Upper Level Roadway. We oppose TNC vehicles operating in the Central Terminal Area (CTA). LAWA has already begun a LAX Landside Access Modernization Project (LAMP) with the goal of reducing the number of vehicles accessing the CTA. Allowing TNC vehicles into the CTA will run contrary to the goals of LAMP to reduce CTA traffic by increasing traffic in an already over congested CTA. By allowing

*ARSAC Alliance for a Regional Solution to Airport Congestion*  
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TNC vehicles into the CTA that could be accommodated elsewhere such as Parking Lots B and E on 111<sup>th</sup> Street between Aviation and La Cienega, LAWA will be creating the nightmare traffic scenario of every day being Thanksgiving Day. Thanksgiving Day is the generally the busiest day of the year at LAX.

5. Designated Staging Area (DSA). To date, LAWA has not provided where the DSA will be located. We ask that LAWA recirculate a second draft for comment that includes the proposed DSA. We recommend that the underutilized Parking Lots B and E on 111<sup>th</sup> Street between Aviation and La Cienega serve as the Designated Staging Area for all TNC vehicles. This is the location where TNC passengers can be picked and dropped off. LAWA can provide a shuttle bus between the DSA and the CTA terminals. These convenient parking lots are very close to the freeway entrances and exits for the 405 north and south as well as the 105 west offramp and 105 east onramp. This location is away from residential areas and can be easily monitored by LAX Landside Operations and the LAWA Police Department. When LAWA has completed construction of the Intermodal Transportation Facility (ITF) as a part of LAX Landside Access Modernization Project (LAMP), then LAWA can study whether or not to move TNC operators to the ITF.

6. Security. As LAX is the number one terrorist target on the West Coast, it is highly important that all TNC drivers must be required to have an LAX identification badge and to meet the current requirements for an LAX ID badge including finger printing and criminal background checks. An LAX ID badge will also help to provide passengers some assurance that they are not using unlicensed or bandit ground transportation services. LAWA should reply on its existing badging process for screening TNC drivers. This will serve as a double-check to the TNC operators internal processes to protect the traveling public from felons and registered sex offenders.

7. Governance and Transparency. The draft DSA leaves certain discretion to the Executive Director without the approval of the Board of Airport Commissioners (BOAC) and/or without any public notice. In the case of the former, in Section 4.4 (page 13), the Executive Director can set the rate for use of the DSA. The setting and approval of rates for landing fees, terminal rents, ground leases, concessions fees and ground transportation fees has been the domain of BOAC which is charged in the City Charter to have oversight of the Department of Airports. The BOAC should approve the location of the DSA and the setting of DSA use rates. By having this type of matter on the BOAC agenda, it gives the public some notice and an opportunity to provide input. Ideally, LAWA staff would do public outreach before bringing matters such as this one to BOAC. In the latter, when the Executive Director takes actions such to approve to terminate NELA-TNA licenses, where is that made available to the public? LAWA needs to increase its transparency as an organization.

8. TNC Vehicle Tracking (Section 3.6). As noted above, we favor transponders in all TNC vehicles approved for LAX as the primary tracking. The mobile app should be a secondary verification. LAWA should compare the data between the transponders and the mobile app to identify discrepancies and possible fraud.

9. Delinquent payment (Section 6). There needs to be an operational penalty for non-payment or 60 day delinquent payment by making a suspension or revocation of a TNC license. There are too many examples in the City of Los Angeles where revenue due to the City is not collected due to poor accounting and bad management practices.

10. Disabled Passenger Access (Section 18). The draft NELA-TNC needs to be more specific as how TNC licensees will accommodate passengers with disabilities. LAWA describes a 15% penalty, but nothing more. LAWA needs to make certain that it is complying with the Americans with Disabilities Act (ADA) and that disabled passengers are able to access ground transportation, including with TNC's. With the Special Olympics World Games coming to Los Angeles this summer, will the TNC operators be ready?

**ARSAC Alliance for a Regional Solution to Airport Congestion**  
7929 Breen Ave. Los Angeles, CA 90045 (physical)

11. Fines (Section 21.4). The proposed fines for filing monthly financial reports are too low at \$100. Please consider \$1,000 per monthly report or more to ensure compliance.

12. Insurance (Exhibit A). TNC operators should meet the same insurance requirements as other ground transportation operators at LAX. We appreciate that LAWA is seeking to require the same high standard of insurance as required of other ground transportation providers.

13. Pricing. LAWA should prohibit TNC operators from engaging in “surge” pricing during peak periods for pickups at LAX. No one should be “taken for a ride” when departing LAX. Pricing guidelines should be available to passengers at LAX for the various ground transportation options. This information can be on kiosks in terminal arrivals areas, at ground transportation pickup locations and on LAWA’s website.

Please contact us if you have any questions. We look forward to having an ongoing dialogue with you on this and other LAX issues.

Sincerely,



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Robert Acherman  
Vice President  
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The following provides the comments and individual responses to said comments contained in the August 24, 2015 letter from Chatten-Brown & Carstens LLP providing additional information to support the Alliance for a Regional Solution to Airport Congestion (ARSAC) appeal of the Non-Exclusive License Agreement (NELA) with Transportation Network Companies (TNC):

### Comment 1

**Comment:** We have previously shown in our appeal filed August 7, 2015 and previous correspondence that air quality conditions in the Los Angeles region, especially around LAX, are likely to be aggravated by permitting TNC operations because they do not adhere to the same clean fuel and clean vehicle requirements as other commercial transportation companies.

Attached is an analysis conducted by air quality expert David Gemmill that shows replacement of all or part of a regulated fleet with an unregulated fleet of vehicles could lead to increased air pollution impacts as TNCs replace other modes of transportation, including shared ride vans. (Enclosure 1.) Shared ride van use declined 1% as TNC usage increased between 2011 and 2015. (Enclosure 1, p. 1.) Since TNCs could be replacing shared ride vans and taxis, both of which are regulated clean fuel fleets, and LEV emissions standards for new cars sold in California are 50% lower than ULEV standards, a net increase in emissions could result from the same number of passenger trips. (id., p. 4.)

**Response:** Comment noted. The data cited by Gemmill is consistent with the data used by LAWA to assess the effect of issuing a NELA for TNC services. As noted by Gemmill, taxi share has remained constant from 2011 through March 2015, while TNC share is now 6% (versus 0% in 2011), while private vehicles have decreased by 8%. However, Gemmill's analysis only states that if TNCs displace ultra low emission vehicles (ULEVs), it could have an air quality impact. It does not offer any evidence that issuance of a TNC for NELA would result in substitution of clean fuel vehicles with other vehicles.

Issuance of a Non-Exclusive License Agreement (NELA) for Transportation Network Companies (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. 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.

LAWA conducted a traffic analysis and air quality analysis assessing the effects of substituting private vehicles with TNCs. Because TNCs require their drivers to utilize vehicle model years 2000 or higher, the air quality emissions associated with the TNC fleet are less when compared to a mix of private vehicles that

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represent all model years being currently driven in California. Furthermore, there are currently over 10,000 commercial vehicles operating under a NELA to access the CTA at LAX which do not fall under AQMD's green fleet rules or under LAWA's alternative fuel policy for vehicles 8,500 pounds or greater. Thus, LAWA anticipates that the substitution of TNCs for POVs will not result in air quality impacts.

## Comment 2

**Comment:** Cities and counties, such as Los Angeles, San Francisco, Orange, and Fresno, impose clean fuel or clean vehicle requirements on their licensed taxicab services." (LA Taxicab Rules and Regulations section 401 (b) and (e) among others [requiring Ultra-Low Emission Vehicle (ULEV) or better standards]; see [http://ladot.lacityorg/stellent/groups/departments/@ladot\\_contributor/documents/contributor\\_web\\_content/lacityp\\_027010.pdf](http://ladot.lacityorg/stellent/groups/departments/@ladot_contributor/documents/contributor_web_content/lacityp_027010.pdf).) Since TNC have increased operations since approximately 2010, the regulated San Francisco taxi fleet usage has declined approximately 69%, as documented by San Francisco's MTA. This report and accounts of its impact are incorporated by reference. (<http://archives.sfaxaminer.com/sanfrancisco/report-says-sf-taxis-suffering-greatly/Content?oid=2899618> and <https://s3.amazonaws.com/s3.documentcloud.org/documents/1301955/sfmta-hearing.pdf>.)

**Response:** Comment noted. The reports/documents cited were released prior to TNC being permitted to operate at San Francisco International Airport (SFO); thus, the effect of TNC being allowed to operate at the airport are not reflected in the statistics cited and have no bearing on whether LAWA issues a NELA for TNC at LAX. TNC were permitted to pick up passengers at 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. As stated in the response to Comment 1, it is expected that passengers who would use TNC to leave the airport would be substituting TNC for another private vehicle.

## Comment 3

**Comment:** Apparently, TNCs would be subject to what is termed LAWA's alternative fuel vehicle program. However, this program only applies to vehicles over 8,500 pounds. Therefore, it would not apply to most passenger vehicles used by the TNCs.

**Response:** Comment noted. Commenter is correct that LAWA's alternative vehicle program would not apply to most passenger vehicles used by the TNCs. However, there are currently over 10,000 commercial vehicles operating under a NELA to access the CTA at LAX which do not fall under AQMD's green fleet rules or under LAWA's alternative fuel policy for vehicles 8,500 pounds or greater.

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#### Comment 4

**COMMENT:** The NELA would also allow violation of South Coast Air Quality Management Rule 1194, which requires "For all public and private fleets that provide passenger transportation services out of commercial airports operating in the South Coast Air Quality Management (District), . . . fleet operators [must] acquire cleaner burning or alternative-fueled vehicles to reduce air toxic and criteria pollutant emissions when procuring or leasing these vehicles in the District unless otherwise exempt." TNCs may not deny they are fleet operators on the theory that their drivers are independent operators, since federal courts and the California Labor Commission have concluded that TNC drivers are employees. (<http://www.wsj.com/articles/court-rulings-may-redefinerride-sharing-drivers-1422922890> and <http://www.reuters.com/article/2015/06/17/us-ubercalifornia-idUSKBNO0X1TE20150617>.) While LAWA expects TNCs to comply with applicable laws and regulations such as AQMD's Rule 1194, the past history of TNC non-compliance with regulations such as those promulgated by the CPUC, and TNC assertion of inapplicability of fleet rules will mean that it is more likely than not that TNCs will not comply with Rule 1194, as they have no intention of attempting to comply. CPUC's July 15, 2015 decision to fine and suspend Uber for non-compliance with CPUC orders is incorporated herein by reference. (<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M153/K171/153171722.PDF>)

**Response:** Comment noted. AQMD Rule 1194 applies to public and private fleets. However, the California Public Utility Commission, whom regulates TNCs, specifically states in its Rulemaking on TNCs, Decision 13-09-045:

"..a 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 app or platform to connect passengers with drivers using their personal vehicles. The primary distinction between a TNC and other TCPs is that a TNC connects riders to drivers who drive their personal vehicle, not a vehicle such as a limousine purchased primarily for a commercial purpose. To that end, a TNC is not permitted to itself own vehicles used in its operation or own fleets of vehicles."

Thus, AQMD Rule 1194 does not apply to TNCs under current state regulations.

#### Comment 5

**Comment:** Additionally, to permit TNC's to operate at LAX under less restrictive health and safety requirements than traditional, highly regulated charter-party carriers and taxicabs will seriously impair public health and safety. Attached is the First Amended Complaint filed by the Los Angeles and San Francisco District Attorneys in state court. In this complaint in paragraphs 74-100, the District Attorneys show how reliance on methods other than fingerprinting for background checks will foreseeably increase the risk of threats to public safety as risks that would otherwise have been identified are not caught and prevented. (Exhibit 2.) The concerns expressed to you in the August 17, 2015 letter of the

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Los Angeles Airport Peace Officers' Association (LAAPOA), which represents sworn police officers assigned to protect and serve LAX, must be taken very seriously as they recommend "fingerprint-based background check[s] done by the California Department of Justice." (LAAPOA Aug. 17, 2015 letter, p. 1.)

**Response:** Comment noted. The CPUC sets standards for TNCs including background checks. The proposed NELA for TNC services at LAX requires "TNCs shall comply with all CPUC Rules and Regulations, including but not limited to TNCs performing ongoing criminal background checks and California Department of Motor Vehicle checks on each TNC driver before the driver begins offering service as, well as assuring that TNCs and TNC Drivers maintain insurance coverage as required by the CPUC and any and all insurance coverage required by the local, state, and or federal government."

#### **Comment 6**

**Comment:** LAWA's use of "Designated Staging Areas (DSA)" for TNCs would be a new use of these properties, not continued use of existing facilities. This is a new use that would be intensive and could cause significant impacts.

**Response:** Comment noted. 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. Because this location is currently used for the staging of commercial vehicles, this would not be a new use. Because TNC are in effect substituting for POV trips to the airport, 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 83 trips during the peak hour (30% of an estimated 277 peak hour TNC trips). Of these 83 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. 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

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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.

#### **Comment 7**

**Comment:** While there is a 40 vehicle limit in the initial NELA, LAWA's executive director could increase this limit with no notice, no further studies, and no involvement by the public. This flexibility to increase usage intensity could create significant impacts.

**Response:** Comment noted. LAWA based its traffic analysis on an assumed number of TNC vehicles per peak hour, based on the 6% mode share that TNCs have in 2015 for dropping off passengers at LAX. Assuming a similar number of arriving passengers would utilize TNCs, approximately 277 trips for TNCs picking up arriving passengers was assumed. An analysis of the effects of this traffic on the upper level roadway determined that each intersection along the upper level roadway would operate at a similar level of service when compared to Baseline 2014 conditions. See also response to Comment 6.

#### **Comment 8**

**Comment:** The Landside Access Modernization Plan (LAMP) must also be considered within the framework of proper CEQA review before the NELA is approved. LAMP includes the Automated People Mover (APM), Intermodal Transportation Facilities (east and west), Metro Crenshaw Line stop and the Consolidated Rental Car Garage. While the comment period has closed for the Notice of Preparation (NOP) for LAMP, LAWA should re-issue the LAMP NOP to consider TNC impacts. The goal of LAMP is to reduce CTA congestion by 13% through the removal of rental car and hotel courtesy buses. However, allowing TNC pickups could counteract the effects of this change as TNC's could replace rental cars and courtesy buses and add more traffic.

**Response:** Comment noted. The LAX Landside Access Modernization Program Draft Environmental Impact Report (EIR), currently in preparation, will include a complete traffic analysis assessing the effects of the proposed LAX Landside Access Modernization Program on traffic within the CTA and on the surrounding roadway network. The traffic analysis will evaluate existing and future mode shares including assumptions concerning future TNC mode shares. The LAX Landside Access Modernization Program will have no effect on TNCs in and of itself, thus, there is no reason to reissue the NOP, when the NOP and Initial Study already states that the EIR will assess traffic effects of the proposed LAX Landside Access Modernization Program.

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August 24, 2015

*Via Federal Express, Email, and By Hand*

City Council

City of Los Angeles

c/o Ms. Holly L. Wolcott, City Clerk

200 N. Spring Street, Room 360

Los Angeles, CA 90012

Re: City Council August 25, 2015, Agenda Item 13; Further Support for Appeal of Non-Exclusive License Agreements (NELA) With Transportation Network Companies (TNCs) Approved as BOAC Agenda Item 15, July 16, 2015; Public Resources Code § 21151 (c)

Honorable Councilmembers:

On behalf of the Alliance for a Regional Solution to Airport Congestion (“Appellants”), we hereby submit the attached information in support of our opposition to granting the NELA with TNCs as proposed and in support of our appeal pursuant to the California Environmental Quality Act (“CEQA”) of the July 16, 2015 decision by the Board of Airport Commissioners to approve Non-Exclusive License Agreements to Transportation Network Companies (TNCs) allowing private vehicles to be used for commercial transportation services from LAX (“the Project”).

We have previously shown in our appeal filed August 7, 2015 and previous correspondence that air quality conditions in the Los Angeles region, especially around LAX, are likely to be aggravated by permitting TNC operations because they do not adhere to the same clean fuel and clean vehicle requirements as other commercial transportation companies.

Attached is an analysis conducted by air quality expert David Gemmill that shows replacement of all or part of a regulated fleet with an unregulated fleet of vehicles could lead to increased air pollution impacts as TNCs replace other modes of transportation, including shared ride vans. (Enclosure 1.) Shared ride van use declined 1% as TNC usage increased between 2011 and 2015. (Enclosure 1, p. 1.) Since TNCs could be replacing shared ride vans and taxis, both of which are regulated clean fuel fleets, and LEV emissions standards for new cars sold in California are 50% lower than ULEV

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standards, a net increase in emissions could result from the same number of passenger trips. (*Id.*, p. 4.)

Cities and counties, such as Los Angeles, San Francisco, Orange, and Fresno, impose clean fuel or clean vehicle requirements on their licensed taxicab services.” (LA Taxicab Rules and Regulations section 401 (b) and (e) among others [requiring Ultra-Low Emission Vehicle (ULEV) or better standards]; see [http://ladot.lacity.org/stellent/groups/departments/@ladot\\_contributor/documents/contributor\\_web\\_content/lacityp\\_027010.pdf](http://ladot.lacity.org/stellent/groups/departments/@ladot_contributor/documents/contributor_web_content/lacityp_027010.pdf).) Since TNC have increased operations since approximately 2010, the regulated San Francisco taxi fleet usage has declined approximately 69%, as documented by San Francisco’s MTA. This report and accounts of its impact are incorporated by reference. (<http://archives.sfexaminer.com/sanfrancisco/report-says-sf-taxis-suffering-greatly/Content?oid=2899618> and <https://s3.amazonaws.com/s3.documentcloud.org/documents/1301955/sfmta-hearing.pdf>.)

Apparently, TNCs would be subject to what is termed LAWA’s alternative fuel vehicle program. However, this program only applies to vehicles over 8,500 pounds. Therefore, it would not apply to most passenger vehicles used by the TNCs.

The NELA would also allow violation of South Coast Air Quality Management Rule 1194, which requires "For all public and private fleets that provide passenger transportation services out of commercial airports operating in the South Coast Air Quality Management (District), . . . fleet operators [must] acquire cleaner burning or alternative-fueled vehicles to reduce air toxic and criteria pollutant emissions when procuring or leasing these vehicles in the District unless otherwise exempt." TNCs may not deny they are fleet operators on the theory that their drivers are independent operators, since federal courts and the California Labor Commission have concluded that TNC drivers are employees. (<http://www.wsj.com/articles/court-rulings-may-redefine-ride-sharing-drivers-1422922890> and <http://www.reuters.com/article/2015/06/17/us-uber-california-idUSKBN0OX1TE20150617>.) While LAWA expects TNCs to comply with applicable laws and regulations such as AQMD’s Rule 1194, the past history of TNC non-compliance with regulations such as those promulgated by the CPUC, and TNC assertion of inapplicability of fleet rules will mean that it is more likely than not that TNCs will not comply with Rule 1194, as they have no intention of attempting to comply. CPUC’s July 15, 2015 decision to fine and suspend Uber for non-compliance with CPUC orders is incorporated herein by reference. (<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M153/K171/153171722.PDF>.)

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Additionally, to permit TNC's to operate at LAX under less restrictive health and safety requirements than traditional, highly regulated charter-party carriers and taxicabs will seriously impair public health and safety. Attached is the First Amended Complaint filed by the Los Angeles and San Francisco District Attorneys in state court. In this complaint in paragraphs 74-100, the District Attorneys show how reliance on methods other than fingerprinting for background checks will foreseeably increase the risk of threats to public safety as risks that would otherwise have been identified are not caught and prevented. (Exhibit 2.) The concerns expressed to you in the August 17, 2015 letter of the Los Angeles Airport Peace Officers' Association (LAAPOA), which represents sworn police officers assigned to protect and serve LAX, must be taken very seriously as they recommend "fingerprint-based background check[s] done by the California Department of Justice." (LAAPOA Aug. 17, 2015 letter, p. 1.)

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Thank you for your consideration of this matter.

Sincerely,

  
Douglas P. Carstens

Enclosures:

1. David Gemmill Memorandum and CV regarding air quality impacts of TNC vehicle use.
2. First Amended Complaint of San Francisco and Los Angeles District Attorneys.