

MINORITY REPORT

TRADE, COMMERCE, AND TECHNOLOGY COMMITTEE MINORITY REPORT relative to the Board of Airport Commissioners' (Board) July 16, 2015 action approving a Non-Exclusive License Agreement covering Transportation Network Companies (TNC) servicing Los Angeles International Airport (LAX).

Recommendation for Council action:

IMPOSE, to the extent that the City is not preempted by state law or regulation, a background check requirement that applies to all charter-party carriers, including limos and shuttles, TNCs, taxis, and any other transit provider with a Non-Exclusive License Agreement or other similar instrument with the LAWA, with the following minimum features:

- a. Enrollment in a California Department of Motor Vehicles Employer Pull Notice Program.
- b. Participation in a fingerprint-based background check done by the California Department of Justice.
- c. Participation in a drug-testing program.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

(On August 5, 2015, the City Council adopted Motion [Krekorian - Blumenfield - et al.] pursuant to Charter Section 245, asserting jurisdiction over the Board's action.)

TIME LIMIT FILE – AUGUST 26, 2015

(LAST DAY FOR COUNCIL ACTION – AUGUST 26, 2015)

SUMMARY

At the meeting held on August 18, 2015, your Trade, Commerce and Technology Committee considered the Board's July 16, 2015 action approving a Non-Exclusive License Agreement covering TNCs servicing LAX. The Board reports that the adoption of a Blanket Resolution for issuance and execution of Non-Exclusive License Agreements to permit TNC services to and from LAX will ensure TNC compliance with City and the LAWA policies, rules and regulations. The LAWA patrons access the airport by various modes of ground transportation. The current Ground Transportation Permit Program permits and regulates the activities of commercial operators, including taxis, shared-ride vans, scheduled service buses, courtesy shuttles (hotel, private parking, and rental car), and charter carriers. LAWA patrons, in large number, continue to use private vehicles for pick up and drop off, which contributes to greater traffic and congestion. Permitting TNCs will allow the LAWA patrons an additional transportation choice that may provide a viable and effective alternative for some private vehicle users, which would increase use of commercial vehicle alternatives.

During the discussion of the matter, LAWA representatives provided initial testimony of the matter. Afterwards, a representative from the California Public Utilities Commission provided details of the regulations pertaining to the TNCs. Staff from the Los Angeles Department of Transportation then came to the table to testify on the current regulations in place for taxi cabs. The next group to testify was representatives from Uber and Lyft, two of the larger TNCs. They discussed many aspects of their services, giving a detailed account of their driver screening process. Next, were the representatives from taxi cab and limo drivers companies. These representatives provided information about their services to customers in the LAX area. During the lengthy discussion of the matter, the Councilmembers asked related questions of the representatives of the various agencies, departments, and businesses. Prior to providing a chance for the public to comment, the Councilmembers shared recommendations that would be later voted upon for inclusion in the Committee report to the full Council.

After providing an opportunity for public comment, the Committee voted on each proposed recommendation. The first 10 proposed recommendations passed unanimously, as detailed above. The final proposed recommendation was introduced by Councilmember Krekorian. The recommendation was for Council to impose, to the extent that the City is not preempted by state law or regulation, a background check requirement that applies to all charter-party carriers, including limos and shuttles, TNCs, taxis, and any other transit provider with a Non-Exclusive License Agreement or other similar instrument with LAWA, with the following minimum features: enrollment in a DMV Employer Pull Notice Program, participation in a fingerprint-based background check done by the California Department of Justice, and participation in a drug-testing program. The proposed recommendation did not pass by a vote of 2-3.

The Committee Chair requested a vote to affirm the Board's action approving a Non-Exclusive License Agreement covering TNCs servicing LAX. This passed by a vote of three to two. Councilmember Krekorian then stated that his Motion was to veto the Board's action of July 16, 2015. The Councilmember went on to state that in order to preserve this action as a minority position for a discussion in Council, a vote be taken to veto the Board's action. This vote did not pass by a vote of 2-3. Pursuant to Council Rule 69, the Minority Report is submitted for informational purposes only unless by adoption of a motion it is substituted for the majority report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

PAUL KREKORIAN, MEMBER
NURY MARTINEZ, MEMBER
TRADE, COMMERCE, AND TECHNOLOGY COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	NO
BONIN:	NO
KREKORIAN:	YES
BUSCAINO:	NO
MARTINEZ:	YES
ME	

-NOT OFFICIAL UNTIL COUNCIL ACTS-