



## City of Long Beach

Working Together to Serve

## Memorandum

**Date:** April 3, 2017

**To:** Patrick H. West, City Manager *T.M.*

**From:** Jess L. Romo, Director, Long Beach Airport *JLR*

**For:** Mayor and Members of the City Council

**Subject:** Long Beach Airport Ground Transportation Study

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As a follow-up to the memo dated February 17, 2017, please find attached the Long Beach Airport's Ground Transportation Study Report conducted by Frasca & Associates, LLC (Frasca). The purpose of the study was to review the fee structure, policies, procedures and practices for commercial ground transportation (GT) operations (i.e., taxicabs, limousines, and shuttles) at the Airport compared to operations at benchmark airports in California and airport industry best practices. Below is a summary of key findings and recommendations from the study:

### KEY FINDINGS

#### Regulatory Environment

- Federal Aviation Association (FAA) regulations encourage airports to create self-sustaining, fair and reasonable rate structures;
  - Airports should set rates such that all direct operating segments, including commercial GT operations, at the very least “pay their own way.”
- State regulations govern commercial GT operations at Long Beach Airport (LGB), including Transportation Network Companies (TNCs);
  - Thus far, the City has not imposed additional regulations on commercial GT operators at LGB.
- The City of Long Beach Municipal Code requires the LGB Director to issue GT permits and publish rules and regulations for GT operations;
  - Approval authority for assessing GT at LGB fees lies with City Council.

#### Airport Ground Transportation Industry

- The most common fees charged by airport operators are permit (or administration) and per-trip fees;
- When combined with robust enforcement, GT fees are used to ensure a “level playing field” and to protect airport permitted GT operators’ economic interests in their businesses.

### **Ground Transportation Operations at LGB**

- LGB passengers value and request TNC service:
  - LGB is one of only two airports currently not allowing such service.
- The exponential increase in TNC usage is affecting parking, rental car and other ground transportation revenues at all U.S. airports:
  - The magnitude of this effect is difficult to gauge with the ever-increasing popularity of TNCs, and modal market share is likely not yet stable;
  - Airports are closely monitoring these effects and considering comprehensive adjustments in their fee structures to prevent erosion of operating revenues.
- LGB's fixed-fee permit structure is an outlier and results in revenues that do not cover the cost of administration and operations:
  - LGB is the only benchmark airport not charging per-trip fees for at least some commercial GT operations;
  - Six of nine airports use hybrid, fixed-variable fee structures.
- LGB's current approach limits business flexibility, makes enforcement difficult, and does not provide the data necessary to manage roadway and curbside facilities effectively and efficiently:
  - Nearly all benchmark airports use Ground Transportation Management (GTM) technology.
- As an airport with smaller terminal facilities, caps on daily air carrier operations, and relatively "unpeaked" schedules, LGB's GT operations are not complex and do not require a robust regulatory scheme:
  - Curbside congestion is presently not an issue at LGB but this may change if TNC usage continues to increase.

### **Benchmark Review of Ground Transportation Operations**

- The proposed fee and agreement structure for the TNC pilot program is consistent and competitive with benchmark airports:
  - The proposed \$3 per-pick-up and per-drop-off fee is less than or equal to the fee charged by all but two airports permitting TNC operations.
- Most benchmark airports charge per-trip fees for commercial GT operators:
  - All but two for taxicabs;
  - All but three for limousines and luxury vehicles;
  - All but three for shared-ride shuttles.

- Application and permit fees vary widely among airports, with permit fees at benchmarked airports, ranging from \$55 to \$500 per year:
  - Two charge permit fees for taxicabs; unlike LGB, no benchmark airports have exclusive taxicab arrangements;
  - Six charge permit fees for limousines and luxury vehicles;
  - Four charge permit fees for shared-ride shuttles;
- All benchmarked airports charge permit fees, per-trip-fees, or some combination thereof to courtesy vehicle operators;
- All benchmark airports assess fees for charter bus operators.

### **KEY RECOMMENDATIONS**

As a result of the findings and as discussed throughout the report, the key recommendations of this study include:

- Implement the TNC pilot program as proposed with a \$3 per-trip fee;
- Use the pilot period to evaluate usage and operational issues;
  - Implementing industry best practice hybrid/variable fee structure in order to treat all GT users fairly;
  - Implement a rationalized per-trip fee for all commercial GT operators but consider a phase-in period to mitigate business impact;
  - Revise fixed fee structure to industry standards;
- Review operational protocols for all GT modes to ensure fair access and accommodation that is consistent with the modified fee structure;
- Streamline application, permitting, and account management processes through the use of web-based systems;
- Evaluate GTM systems to identify a cost-effective solution that simplifies reporting and enhances enforcement with a target date in 2018.

The Airport is proceeding with implementation of the TNC pilot program. City Council approval of the fee structure will be considered on April, 4 2017, as part of the Master Fee and Charges Schedule hearing, and the TNC pilot program is scheduled to start on April 5<sup>th</sup>.

If you have any questions or require further information, please contact Claudia Lewis, Manager of Airport Administration and Finance, at (562) 570-2612.

#### **ATTACHMENT**

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# FRASCA & ASSOCIATES, LLC

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TO: Dale Worsham  
FROM: Frasca & Associates, LLC  
SUBJECT: **Ground Transportation Study**  
DATE: March 27, 2017

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## PROJECT BACKGROUND

Frasca & Associates, LLC (FRASCA) was requested by the Long Beach Airport (“LGB” or “the Airport”) to review the fee structure, policies, procedures, and practices for commercial ground transportation (GT) operations (i.e., taxicabs, limousines, and shuttles) at the Airport in the context of operations at benchmark airports in California and airport industry best practices. This study was requested in connection with a proposed pilot program allowing Transportation Network Companies (TNC) operations (e.g., Uber, Lyft, Wingz, and See Jane Go) at the Airport.

The objective of this study was to recommend a revised fee structure and operational practices that:

- Ensured a “level playing field” with fair and equitable fees and regulations for all GT providers
- Provided expanded ground transportation options to LGB passengers through the accommodation of TNCs
- Remained competitive with other airports, in particular those located in the Los Angeles Basin
- Ensured that LGB generates reasonable ground transportation revenues for allowing GT providers access to the Airport by:
  - Ensuring that GT rates, fees, and charges are set to recover the costs of administration, infrastructure, and operation
  - Preventing the erosion of parking revenues attributable to increases in TNC modal share

To share the findings and recommendations of this study, a public meeting was conducted on February 1, 2017 from 6:00pm to 8:00pm at the Long Beach Gas and Oil Department offices at 2400 Spring Street, Long Beach. A public comment period was put in effect through February 10, 2017 for further comments. A summary of the comments received and a response is included in the “Public Meeting and Public Comment Period” section of this report.

## SUMMARY OF FINDINGS AND RECOMMENDATIONS

**Key Findings.** The key findings of this study (grouped below by report section and shown in boldface throughout the report) are:

### **Regulatory Environment**

- FAA regulations encourage airports to create self-sustaining, fair and reasonable rate structures
  - Airports should set rates such that all direct operating segments, including commercial GT operations, at the very least “pay their own way”
- State regulations govern commercial GT operations at LGB, including TNCs
  - The City imposed no additional regulations on commercial GT operators
- The City of Long Beach Municipal Code requires the LGB Director to issue GT permits and publish rules and regulations for GT operations
  - Approval authority for GT fees lies with City Council

### **Airport Ground Transportation Industry**

- The most common fees charged by airport operators are permit (or administration) and per-trip fees
- When combined with robust enforcement, GT fees can be used to ensure a “level playing field” and to protect GT operators’ economic interests in their businesses

### **Ground Transportation Operations at LGB**

- LGB passengers value and request TNC service
  - LGB is one of only two (out of nine total) benchmark airports not currently allowing such service
- The exponential increase in TNC usage is affecting parking, rental car and other ground transportation revenues at all U.S. airports
  - The magnitude of this effect is difficult to engage with the ever-increasing popularity of TNCs, and modal shares are likely not yet stable
  - Airports are closely monitoring these effects and considering comprehensive adjustments in their fee structures to prevent erosion of operating revenues
- LGB’s fixed-only permit fee structure is an outlier when compared with benchmark airports and produce revenues that likely do not cover the cost of administration and operations
  - LGB is the only benchmark airport not charging per-trip fees for at least some commercial GT operations
  - Six of nine benchmark airports use hybrid fixed-variable fee structures
- LGB’s very limited use of technology limits business flexibility, makes enforcement difficult, and does not provide the data necessary to better manage roadway and curbside facilities
  - All but one benchmark airport use GTM technology
- As an airport with limited terminal facilities, caps on daily air carrier operations, and relatively unpeaked schedules, LGB’s GT operations are not complex and do not require a complex regulatory scheme

- Regular curbside congestion is not currently an issue at LGB, but may become an issue if TNC usage continues to increase significantly

### **Benchmark Review of Ground Transportation Operations**

- The proposed fee and agreement structure for the TNC pilot program is consistent and competitive with benchmark airports
  - The proposed \$3.00 per-pick-up and per-drop-off fee is less than or equal to the fee charged by all but two (out of eight total) benchmark airports accommodating TNC operations
- Most benchmark airports charge per-trip fees for commercial GT operators
  - All but 2 (out of 9) benchmark airports for taxicabs
  - All but 3 for limousines and luxury vehicles
  - All but 3 for shared-ride shuttles
- Application and permit fees vary more widely among airports, with permit fee rates for benchmark airports with such charges range from \$55 to \$500
  - 2 (out of 9) benchmark airports charge permit fees for taxicabs, but no benchmark airports with an exclusive taxicab arrangements such as LGB charges permit fees
  - 6 charge permit fees for limousines and luxury vehicles
  - 4 charge permit fees for shared-ride shuttles
- All benchmark airports charge permit fees, per-trip-fees, or some combination thereof to courtesy vehicle operators
- All benchmark airports charge charter or infrequent bus operators a fee, typically either a rate equivalent to that charged to limousines and luxury vehicles or a higher infrequent user per-trip fee

**Key Recommendations.** As a result of the findings above and as discussed further throughout the report, the key recommendations of this study are:

- Implement the TNC pilot program as proposed with per-trip fee
  - Use the pilot period to evaluate usage and operational issues (e.g., need for hold lot)
- Implement industry best practice hybrid fixed (application and annual permit fee)-variable (per-trip fee) GT fee structure to treat all users equitably
  - Implement the same per-trip fee for all commercial GT operators, but consider phase-in period to mitigate business impact
  - Revise fixed (application and annual permit) fee structure to industry standards
- Review operational protocols for taxis, including staging areas, pick-up zones, and dispatching, in light of evolving ground transportation preferences
- Review operational protocols for all other GT modes (e.g., shuttle bus holding area and dispatch system) to ensure consistent access and accommodation consistent with the modified fee structure
- Streamline application, permitting, and account management processes through the use of web-based systems

- Evaluate GTM systems to identify a cost-effective solution that simplifies reporting and enhances enforcement for implementation in 2018

## STUDY METHODOLOGY

To complete this study, FRASCA conducted interviews with LGB Finance and Administration, Leasing and Business Development, and Safety and Security staff. To compile benchmark airport data, web research and informational interviews were conducted with benchmark airport staff. FRASCA has provided permit applications, rules and regulations, minimum standards, and other relevant documentation compiled to LGB staff.

For industry best practices, in addition to its own knowledge of airport GT operations as advisor to over 40 U.S. airports, FRASCA relied upon Airport Cooperative Research Program (ACRP) Report 146, *Commercial Ground Transportation at Airports*, published in 2015 (the “ACRP Report”). ACRP is an applied research program that develops near-term, practical solutions to problems faced by airport operators. ACRP is managed by the Transportation Research Board (TRB) of the National Academies of Sciences, Engineering, and Medicine and is sponsored by the Federal Aviation Administration (FAA). The report is available for download from ACRP’s website at <http://www.trb.org/acrp>.

**Benchmark Airports.** The 9 benchmark airports for this study included:

- Other Los Angeles Basin airports (3)
  - Los Angeles International Airport (LAX)
  - John Wayne Airport (Orange County) (SNA)
  - Burbank Bob Hope Airport (BUR)
- Other California airports (6)
  - San Francisco International Airport (SFO)
  - San Diego International Airport (SAN)
  - Oakland International Airport (OAK)
  - Mineta San José International Airport (SJC)
  - Sacramento International Airport (SMF)
  - Palm Springs International Airport (PSP)

Ontario International Airport (ONT) was not included in the set of benchmark airports as its new governance structure, including GT regulations and fee structure, is under development following the transfer of control from the City of Los Angeles (Los Angeles World Airports/LAWA) to the City of Ontario (Ontario International Airport Authority/OIAA).

**Organization of Report.** The remainder of this report is organized in 5 sections, with attachments provided at the end of this report.

1. *Regulatory Environment*, providing a brief discussion of regulations pertinent to airport GT operations at LGB and benchmark airports, including the City of Long Beach’s and the Airport’s ability to publish airport GT rules and regulations and impose fees
2. *Airport Ground Transportation Industry*, providing an overview of the airport GT industry in general



3. *Ground Transportation Operations at LGB*, which describes business and operational arrangements for commercial GT operations specific to LGB
4. *Benchmark Review of Ground Transportation Operations*, which discusses the current fee structure and other business and operational arrangements at LGB and at benchmark airports as well as a summary of industry best practices
5. *Public Meeting and Comment Period*, which describes the February 1, 2017 public meeting and comments received at the meeting and during the public comment period through February 10, 2017.

## REGULATORY ENVIRONMENT

**Federal Regulatory Environment.** As recipients of federal grants, U.S. commercial service airports such as LGB are regulated by the Federal Aviation Administration (FAA). A key condition of receiving grants is the requirement to be financially self-sustaining. As documented in its *Policy Regarding Airport Rates and Charges* and *Policy and Procedures Concerning the Use of Airport Revenue*, airport operators are prevented from using aeronautical revenue (e.g., payments from airlines) to subsidize nonaeronautical cost centers such as parking, GT, and commercial development without explicit agreement by the airlines. As such, in the absence of historic agreements, airlines will typically not agree to do so.

**Accordingly, the FAA encourages airport operators to create self-sustaining, fair and reasonable rate structures that maximize nonairline revenues so as to ensure that all direct operating segments of the airport—such as commercial GT—at the very least “pay their own way” and minimize cross-subsidies of other segments, and, whenever possible subject to market limitations, generate surpluses for reinvestment into airport facilities.** Under no circumstances can surpluses generated from airport fees and charges be transferred (or “diverted”) to non-airport operations (i.e., surpluses generated by LGB cannot be used to subsidize other City of Long Beach departments).

**State Regulatory Authority.** The State of California Public Utilities Commission (PUC) regulates certain GT operators statewide, including three classes of carriers operating at LGB, as summarized in the following table. **These regulations stipulate minimum safety (e.g., licensed and trained drivers, vehicle maintenance, and requirements for controlled-substance testing) and insurance requirements.**

Certificate	Description	Examples
<b>Passenger Stage Corporations (PSCs)</b>	Transport passengers between points on an individual fare basis	Shared-ride airport shuttles
<b>Charter-Party Carriers (formerly Transportation Charter Parties) (TCPs)</b>	Charter vehicles for exclusive use of an individual or group	Cruise shuttles, tour buses, hotel courtesy shuttles
<b>Transportation Network Companies (TNCs)</b>	Provide prearranged transportation services for compensation using an online-enabled application or platform to connect drivers using their personal vehicles with passengers	Uber, Lyft, See Jane Go, Wingz



**Local Regulatory Authority.** The authority of LGB management (as embodied by the Director of Aeronautics, Airport Manager, or simply the “Director”) to regulate ground transportation resides in Chapter 16.44 of the City of Long Beach Municipal Code as described in the following:

- *Section 16.44.040, Commercial Use Permit—Required* requires that any business or individual wishing to conduct commercial activities at the Airport obtain a written permit from the Director
- *Section 16.44.041, Ground Transportation Services* reiterates the requirement for a commercial use permit specifically for commercial GT operators, including “van, limousine, bus, and other ground transportation operators” requires GT operators to park only in locations designated by the Director
- *Section 16.44.090, Rates and Fees* requires that airport rates and fees be set by City Council resolution
- *Section 16.44.100, Commercial Use Permits—Contents* sets the specific requirements to be included in all commercial use permits, including a statement of rights, effective dates, fee amount, and payment provisions
- *Section 16.44.130, Administrative Regulations* requires the Director to establish “reasonable rules and regulations relating to all activities upon the airport”

**Thus the Director is required to issue permits to all commercial GT operators and is enabled to establish rules and regulations governing commercial GT operators. While the Director can recommend fees, the approval authority rests entirely with the City Council.** In practice, LGB submits a recommended schedule of airport-wide rates and use fees to City Council twice a year, on or around April 1 (for mid-year fee adjustments) and September 1 (for the upcoming fiscal year beginning October 1). and April 1 (for any in-year adjustments).

## AIRPORT GROUND TRANSPORTATION INDUSTRY

Passengers have multiple options for getting to and leaving an airport, including by their own vehicle and parking in a garage; being dropped off by family or friends; via a rental car; via a taxicab or limo; via a bus, van, or courtesy shuttle; or via transit. The share of passengers using a particular transportation mode (also called “modal share”) varies among individual airports and is determined by, among other variables, relative cost, local passenger preferences, air travel demand market characteristics (e.g., relative share of business-versus-leisure traffic), the availability of parking spaces, and the actual GT options offered at a given airport. Typical commercial GT services at airports include:

- Taxicabs
- Limousines and luxury vehicles (“black cars”)
- TNCs (app-enabled ride-booking services provided using drivers’ own personal vehicles)
- Scheduled vans and buses
- Shared-ride buses
- Unscheduled vans and buses (e.g., cruise and other charter buses)
- Courtesy shuttles (from rental car companies, off-airport parking lots, hotels, and local businesses and attractions)

Airport operators, typically municipalities or a local special-purpose authority, have regulatory control over the vehicles allowed to operate on airport premises. As noted in the ACRP Report, this regulatory authority exists in part as airport operators typically own their roadways and curbsides and have greater liability on what happens on their property than the municipality has for what happens on city streets. This regulatory control includes the types of GT operators allowed to operate (e.g., shared-ride vans and TNCs), the number of operators (i.e., exclusive or open access), minimum operational standards, permitting and use fee structures, and other business terms. As a result, business arrangements, including permitting requirements, fee structures, and operational standards and other characteristics, can vary widely from airport to airport.

According to the ACRP Report, common goals frequently cited by airport management in establishing commercial GT policies, procedures, and fees include:

- *Enhance the experience of the airport customer* by offering passengers multiple options to travel to and from the airport safely, securely, and comfortably;
- *Minimize required staff time and airport resources* by implementing policies and procedures that are easy to administer, using technology when appropriate;
- *Recover costs, and to the extent possible, increase airport revenues consistent with the above goals* by implementing a fee structure that, at a minimum and consistent with FAA regulations, equitably allocates to GT operators their share of airport operating and capital costs

To the extent the goals and operating circumstances of individual airports are unique, the relative priority or weighting of these goals among each other will vary from airport to airport.

Likewise, the ACRP Report identifies the following principal customer expectations for airport commercial GT:

- Conveniently located boarding and alighting areas
- Clear signage
- Minimum waiting time
- Choice of transportation options
- Weather protection
- Clean, modern vehicles
- Well-trained drivers
- Reasonable prices
- Direct routes

The degree to which airport operators meet these expectations is determined by:

- Scope of GT operations permitted (e.g., number of modes, licensees, and trip cost)
- Minimum standards (e.g., maximum vehicle age, driver appearance, and driver knowledge)
- Facilities provided (e.g., signage, curbside space, service desks, canopies, and shelters)

**Typical Business Practices and Fee Structures.** Provisions common in permits and operating agreement governing airport commercial GT operations can address:

- Number of operators permitted (e.g., exclusive or open access)

- Small business enterprise (SBE) and disadvantaged business enterprise (DBE) requirements and reporting
- Structure for fees paid by GT operator to the airport operator
- Minimum insurance requirements
- Minimum vehicle standards (e.g., minimum model year and maximum mileage)
- Minimum driver standards (e.g., appearance and training)
- Reporting methodologies and requirements (e.g., transponder versus self-reporting)
- Passenger fare structure (e.g., flat fares, minimum fares, and short fares)
- Distribution of operational responsibilities between airport and GT operator (e.g., dispatching, lost and found, and airport-provided facilities for GT operators such as hold lots)
- Penalties for violation of operating permits
- Headway management (e.g., maximum number of shuttle trips permitted per hour)
- Airport operator rights of inspection
- Various other certifications attesting to the meeting of city, state, or other regulatory requirements

Several types of fees are typical to the airport GT industry (although not all will be charged concurrently):

- *Application fees*, charged once at the time of application
- *Airport permit, licensing, or administration fees*, charged either on a per-vehicle or per-company basis (or both) and typically renewed annually
- *Per-trip or cost recovery fees*, charged for each pick-up and/or drop-off of passenger
- *Equipment fees* for transponders and other equipment required by the permit
- *Privilege fees*, charged as a percent of GT operator gross receipts, typically with minimum annual guarantees
- *Dwell-time fees*, charged to minimize GT operator standing on curbsides or airport roadways
- *Demand-management fees* to limit the number of GT vehicles on airport roadways

Airport operators may also require drivers to go through the airport badging process to be badged (or issued other airport credentials) to ensure the registration of individuals working on-airport and to provide minimum training. Typically, these badges do not provide access to any secure areas of the airport and may not involve federal background checks required by the Transportation Security Administration (TSA). As such, the badging fees are often charged at reduced rates from other airport badges.

**The most common fees charged by airport operators are permit (or administration) and per-trip fees.** Permit fees are typically set at a minimum to recover the costs of administering GT permits among all users (e.g., the cost of processing the permit and periodic compliance checks), while per-trip fees are typically set at a minimum to recover the costs of operating, maintaining, and enforcing the commercial GT curbside (e.g., allocable salaries and wages of curbside marshals and law enforcement officers and the annual capital recovery cost of shelters and the hold lot). From a fairness perspective, a mix of fixed (permit) fees and variable (per-trip) fees can be used to better match GT operator payments with the amount of revenue sourced from airport passengers.

Other fees are less prevalent and dependent upon the operating circumstances of the particular airport. Application fees are often imposed to reduce applications from unqualified or uncommitted applicants. Equipment fees are typically set to recover the cost of the equipment (in-vehicle and out-of-vehicle) and the annual software operating and maintenance contract. Privilege fees are typically charged only in the case of exclusive or semi-exclusive access where the GT business becomes a true concession (e.g., a single exclusive contract for shared-ride vans).

**While many GT operators view fees as a tax on their operations, when combined with robust enforcement, fees can also serve to protect GT operators' economic interests in their businesses and ensure a "level playing field."** As such, fees can also be used to prevent oversupply and ensure operators receive a fair return on investment or are otherwise compensated fairly.

The scope of GT regulations and fees is a matter of political preferences, airport management policy and goals, and the specific operating conditions of the particular airport. For example, if an airport's curbside and roadways are not routinely congested, there is little reason to impose demand-management or dwell-time fees, or to cap the number of trips or manage headways. If complaints regarding driver knowledge or service are not widespread, a training program may not be appropriate. Understandably, the implementation of new regulations or fee structures is often contentious. The most rational, "best practice" fee structures ensure that similarly situated operators are treated consistently, minimizing market distortions and protecting passenger safety, service, and choice.

**Ground Transportation Management (GTM) Technology.** New technologies have had great impact on airport commercial GT operations, and the successful implementation of many industry "best practices" can be highly dependent upon the use of these technologies. These technologies are available on the passenger and GT operator side (e.g., TNCs and other app-based booking systems) and the airport operator side (e.g., transponders and access control systems). This report focuses on those systems used by airport operators to manage commercial GT operations, collectively known in the industry as ground transportation management (or GTM) systems. These systems are used to monitor vehicle movement; improve compliance with airport commercial GT regulations; collect GT fees and charges; and reduce the administrative burden. Often GTM systems are directly integrated into accounting and lease and agreement management systems.

Three main technologies are used to track and control the movement of commercial vehicles and drivers, with the principal distinctions among the technologies being cost, equipment and infrastructure requirements, accuracy, and ease of enforcement. These technologies are:

- Proximity cards
- Radio frequency identification (RFID) or automated vehicle identification (AVI)
- License plate recognition (LPR)
- Global positioning system (GPS)

The following table compares the advantages and disadvantages of each technology.

Consideration	Proximity card	RFID/AVI	LPR	GPS
<b>How they work</b>	Proximity cards to access curbside and hold lots	In-vehicle tags with RFID chip to enable access control or tracking	License plates are registered to enable access control or tracking	In-vehicle GPS receivers track vehicle movement
<b>Credential basis</b>	By driver	By vehicle	By vehicle	By vehicle
<b>Access control</b>	Easy	Easy	Difficult	Difficult
<b>Equipment cost</b>	Low	Low	None	High
<b>Infrastructure required</b>	Access gates and card readers	Mounting structure or gates for detection devices	Mounting structure or gates for detection devices	None
<b>Cost of infrastructure</b>	Medium	Medium	High	None
<b>Accuracy</b>	High	High	Medium	High
<b>Ease of enforcement</b>	Medium	Easy	Medium	Difficult
<b>Other</b>	Limited enforcement capabilities (e.g., drivers can bypass the curbside with access gates)	Similar technology to electronic toll collection (FasTrak)	Rapidly evolving technology	Best used to manage shuttle headways
Note: Adapted from ACRP Report.				

## GROUND TRANSPORTATION OPERATIONS AT LGB

### Overview of Ground Transportation Operations

A typical range of airport commercial GT operators provide service at LGB, including:

- Taxicabs
- Limousines and luxury vehicles
- Reservation shuttles, vans, and buses
- Non-reservation and charter shuttles, vans, and buses, including local hotel and motel shuttles and Long Beach Transit

The proposed TNC Pilot Program would also allow the operation of TNCs such as Uber and Lyft. The scope of options, cost, and convenience allow passengers to access the Airport at costs ranging from very little (drop-off or pick-up in personal vehicle, courtesy shuttle, or transit), to moderate (shared-ride shuttles), to more expensive (TNCs, taxicabs, parking a personal vehicle, or rental car).

This section documents policies, procedures, operational practices, and the general fee structure for GT operations at LGB.

**Application and License Agreement.** Limousine, luxury sedan, and shuttle operators are required to submit an application (updated January 2017) in writing for a License Agreement along with a nonrefundable \$60 application fee. The application processing time is typically 6-8 weeks, during which LGB staff conducts regulatory compliance checks with the PUC, verifies insurance, and completes City administrative processes. The application requires the following:

- Copy of PUC certificate (PSC or TCP)
- Copy of business registration (business license or tax certificate from city of operation)
- Fictitious business name statement or corporate documentation as applicable
- Copy of fares and charges
- Copy of vehicle registration
- Certificate of Liability Insurance (with cancellation provisions requiring the insurer to notify the City of Long Beach if policies are canceled before expiration), Vehicle Statement, and Additional Insured endorsement (naming the City of Long Beach as additional insured)
- Composition of ownership information (for disadvantaged business enterprise tracking and reporting purposes)

Approved applicants are issued a Non-Exclusive License Agreement (NELA). The NELA can be terminated by either the GT operator or LGB with a 30-day notice or the suspension of the operator's PUC or City license. This agreement requires licensees to abide by all Airport rules and regulations, as they may change from time to time, in addition to other restrictions and prohibitions (e.g., prohibition on solicitation or harassment of passengers). The agreement requires drivers to be "qualified, competent, and experienced" and the interior and exterior of vehicles to be kept in a "neat and clean condition" at the operator's own expense. The NELA specifically reserves the right for LGB to implement a control system such as a transponder. Drivers are not badged by LGB and do not undergo any LGB-specific operational or passenger service training. This "light-handed" regulatory regime also applies to taxicabs, as discussed in the later section, "Taxicabs."

LGB Safety and Security staff regularly monitor NELAs to ensure that annual permit fees are paid; insurance requirements remain satisfied; and PUC licenses remain in effect.

**Insurance Requirements.** LGB does not separately regulate insurance for commercial GT operators. Insurance requirements for taxicabs are regulated by the City of Long Beach, and LGB accepts the minimum State PUC insurance requirements for CPCs, PSCs, and TNCs. This practice is consistent with benchmark airports. In interviews, LGB staff did not report any issues or concerns with GT insurance requirements.

**GT Fee Structure.** LGB employs a fixed-fee structure for all GT operators as shown in the following table, with limousines and shuttles all paying a one-time application fee and annual permit fees thereafter. Long Beach Yellow Cab pays a flat monthly privilege fee for airport access. LGB does not charge any per-trip, equipment, dwell time, or demand management fees to commercial GT operators. As discussed in the prior section, "General Ground Transportation Industry Best Practices" and in the later section, "Benchmark Review by Ground Transportation Operator Type," this approach is unusual amongst other airport operators. Indeed, LGB's current fee structure is simplified from a prior

regime, whereby limos and shuttles did pay on a per-trip basis. These per-trip fees were charged on a self-reporting basis (i.e., the “honor system”).

Fee type	Current fee	Prior fees
<b>Yellow Cab privilege fee</b>	\$500/month	n.a.
<b>Initial application fee (for limousines and shuttles)</b>	\$60	Increased from \$50 effective 10/1/14 (FY 2015)
<b>Limousines and luxury vehicles</b>	\$50/calendar year	Changed from \$1.75/passenger pick-up effective 10/1/12 (FY 2013)
<b>Shuttle (reservation)</b>	\$50/calendar year	Changed from \$1.75/passenger pick-up or \$10.00/single occurrence effective 10/1/12 (FY 2013)
<b>Shuttle (non-reservation)</b>	\$1,000/calendar year	Changed from \$1.75/passenger pick-up effective 10/1/12 (FY 2013)

**Operations.** As an airport with limited terminal facilities, caps on daily air carrier operations, and relatively unpeaked schedules, LGB’s GT operations are not as complex as other comparable airports. Because operations are not complex, curbside management requires limited staffing. No dedicated, full-time Operations staff members are stationed at the curbside, and enforcement is handled by the Airport Security Detail of the Long Beach Police. Long Beach Yellow Cab, the exclusive taxicab provider, is responsible for dispatching its taxicabs at LGB, while LGB’s parking operator, ABM, coordinates shuttle buses and dispatches shuttle passengers from a common holding lot shared by non-reservation operators.

Interviews with LGB staff reported few operational issues, other than solicitation by unpermitted drivers, periodic curbside congestion, and the lack of a dedicated hold lot. Staff reported frustration among some drivers with permitting requirements due to what they perceived as a lack of hard enforcement of unlicensed drivers (i.e., “Why do I have to pay for a permit if others are not?”).

**Use of Technology.** LGB does not utilize GTM technology to manage and track commercial GT vehicles. As a result, no data regarding commercial GT operations (e.g., number of pick-ups and drop-offs) are available; automated access control and enforcement are impossible; and charging variable (i.e., per-trip) fees would rely entirely on self-reporting. Likewise, LGB does not have an online portal for GT operators to use in managing their accounts.

### Passenger Survey and Modal Share

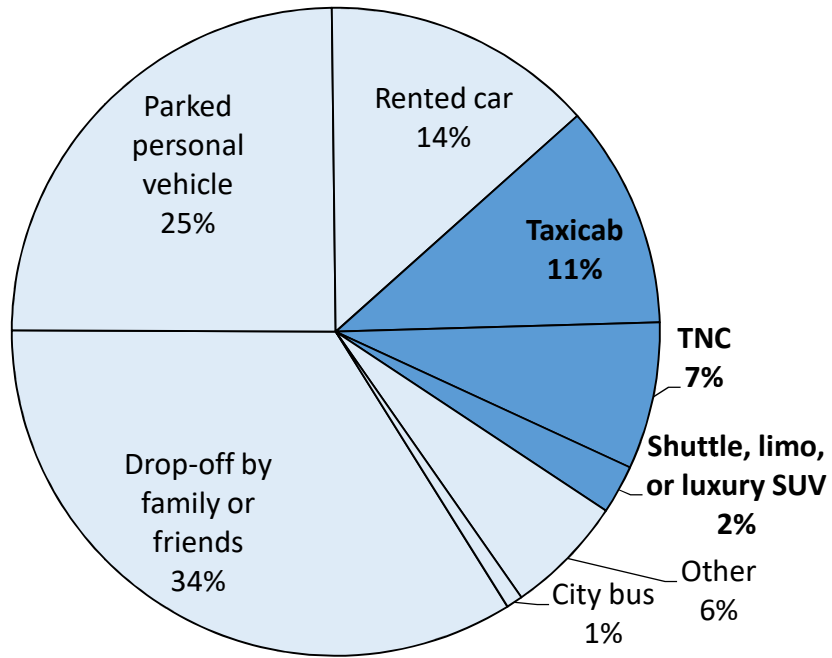
LGB staff conducted a random survey of arriving and departing passengers in January 2017. The purpose of the survey was to estimate transportation modal share and to gauge passenger interest in TNCs. The survey asked passengers questions regarding purpose of trip, ground transportation modal choice, and their distance to or from LGB.

**From the survey, it is clear that airport passengers—including those in LGB—highly desire TNC service.** Of the 386 respondents to the question “What transportation mode did you use?”, 20% of passengers used a commercial GT option (taxicab, TNC, shuttle, limo, or luxury SUV as grouped together in dark wedges), including TNCs, as shown in the following pie chart. Of the 358 respondents to the question “If

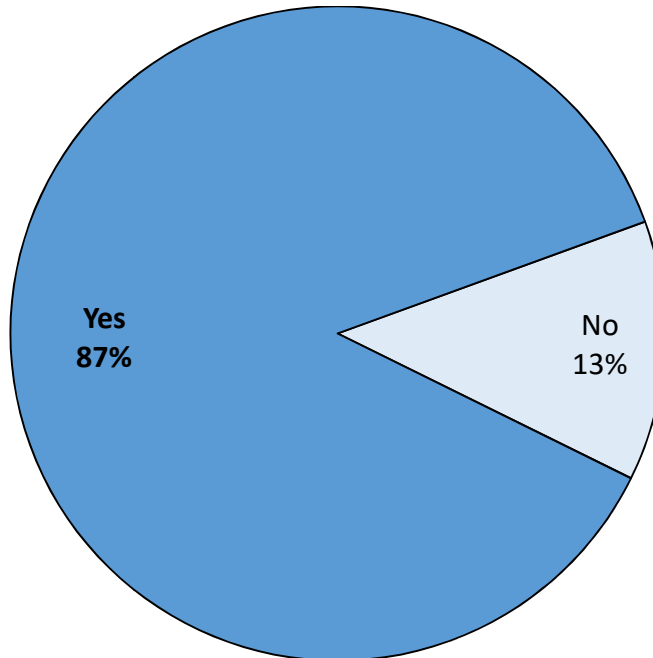


TNCs were available, would you use them?”, 87% of passengers responded “Yes,” as shown in the second following pie chart.

“What transportation mode did you use?”



“If TNCs were available, would you use them?”



It is worth noting the large modal share of TNCs (7%) at LGB, even though TNC operations are not fully permitted (i.e., drop-offs are allowed, while pick-ups are not). As noted in the later section, “Public Meeting and Comment Period,” notwithstanding the fact that pick-ups on-airport are not permitted, some passengers will walk from the LGB terminal off-airport to Lakewood Boulevard, where pick-ups are allowed, to request a TNC pickup.

### LGB GT, Parking, and Rental Car Revenue Trends

**General Effects of TNCs on LGB Revenues.** The popularity of TNCs even in this restricted regulatory environment is another indicator of the rapidly increasing usage of TNCs nationwide, and it is widely accepted that TNCs have a significant impact on passenger modal choice, in particular on taxis and private-vehicle parking. The degree of this effect, however, is not fully understood due to rapid evolution of the market and exponentially increasing take-up rates. **Reflecting the exponential increase in TNC usage, airports nationwide are closely monitoring the effects of TNCs on parking, rental car and other ground transportation revenues and considering comprehensive adjustments in their fee structures to prevent erosion of operating revenues.**

One benchmark airport (which preferred not to be named specifically) cited estimated decreases in taxicab trips of 40% and shared-ride passengers of 10%-20% and flat public parking revenues, notwithstanding increases in passenger numbers of approximately 5%. In this respect, imposing fees on TNCs is not only a matter of fairness to other GT operators, but also a matter of revenue preservation vis-à-vis the federal “self-sustaining” requirement.

The following sections review 5-year trends in LGB’s GT, parking, and rental car revenues and revenue per enplaned passenger to gauge the impact of TNC operations on revenues from other modes. (Revenue per enplaned passenger is the best metric to gauge revenue trends, as it accounts for fluctuations in passenger traffic.) **Broadly, the data indicate a flattening in revenues per enplaned passenger between FY 2015 and FY 2016, some of which is likely attributable to the increased usage of TNCs.**

Complicating the analysis of these data, however, is the entry of Southwest into the LGB market in June 2016, the competitive response of JetBlue, the resulting decrease in airfares, and the double-digit increases in enplaned passengers being currently experienced. As a result of the intensified competition, the passenger profile at LGB has undoubtedly changed to include more highly discretionary leisure travel, which would have an effect on passenger modal shares even if TNC operations were not permitted (e.g., higher propensity for more affordable transportation such as pick-up by friends and family or public bus). These competitive dynamics have not stabilized, with JetBlue still adding new service in February 2017. Moreover, only 6 months of data are available since Southwest began service, so it is not known to what extent changes in the passenger profile may have contributed to the flattening trend in GT revenues per enplaned passenger.

**Regardless, it should be expected that the modal share of TNCs will increase further as TNC operations are permitted and that the full effect of TNC operations on LGB revenues has not occurred. As TNC usage continues to increase, it should be expected that their effect on LGB revenues will continue to evolve.**

**Trends in GT Revenues.** LGB’s fee structure produces modest revenues, as shown in the following table. GT revenues were less than 1% of total operating revenues for FY 2016.

	Enplaned passengers	Taxicab revenue	All other GT revenues	Total GT revenues	Revenue per enplaned passenger
<b>FY 2012</b>	1,643,383	\$6,000	\$35,191	\$41,191	\$0.03
<b>FY 2013</b>	1,497,503	6,000	38,325	44,325	0.03
<b>FY 2014</b>	1,433,273	6,000	35,600	41,600	0.03
<b>FY 2015</b>	1,276,679	6,000	49,618	55,618	0.04
<b>FY 2016</b>	1,327,001	6,000	46,120	52,120	0.04
<b>FY12-16</b>					
% change	(19.3%)	0.0%	31.1%	26.5%	54.9%
CAGR*	(4.2%)	0.0%	5.6%	4.8%	9.1%

\*CAGR = Compound annual growth rate

Due to the transition to the fixed-fee structure in FY 2013, GT revenues per passenger have increased as passenger numbers (and, by extension, revenue-earning potential) have decreased over the past 5 years. Unfortunately, there are no data available regarding commercial GT operations (e.g., number of pick-ups and drop-offs, number of passengers carried, or GT operator gross receipts) since LGB does not collect, nor require GT operators, to report such data. Consequently, it is not possible to analyze fees paid by GT operator per trip, per passenger, or as a percent of gross receipts, to estimate the relative burden of the charging regime.

While detailed cost accounting data does not exist for a meaningful, “fully-loaded” calculation of direct and indirect costs of GT administration, it is certain that current revenues (and, by extension, the current fee rates) do not recover the salaries and benefits for LGB staff directly involved with administration and enforcement or the cost of parking operator staff managing shuttle operations

**Trends in Parking Revenues.** The following table shows a 5-year trend in parking revenues, which comprised 21.0% of operating revenues in FY 2016. Parking revenues are the primary revenue source to pay for debt service on approximately \$50 million of outstanding bonds related to the construction of the new parking garage (Parking B). While revenues per passenger increased modestly from FY 2012 to FY 2016, the ratio decreased slightly in FY 2016. As discussed in a prior section, “General Effects of TNCs on LGB Revenues,” it is not known to what extent this decrease is attributable to increased take-up of TNCs or changes in the LGB passenger profile resulting from the intensified Southwest-JetBlue competition.

	Enplaned passengers	Parking revenue	Revenue per enplaned passenger
<b>FY 2012</b>	1,643,383	\$9,853,562	\$6.00
<b>FY 2013</b>	1,497,503	9,032,797	6.03
<b>FY 2014</b>	1,433,273	8,679,032	6.06
<b>FY 2015</b>	1,276,679	7,719,562	6.05
<b>FY 2016</b>	1,327,001	7,758,334	5.85
<b>FY12-16</b>			
% change	(19.3%)	(21.3%)	(2.5%)
CAGR*	(4.2%)	(4.7%)	(0.5%)

\*CAGR = Compound annual growth rate

**Trends in Rental Car Revenues.** LGB charges rental car companies a privilege fee subject to a minimum annual guarantee (10% of gross receipts for on-airport companies and 8% for off-airport companies; on-airport companies accounted for 99.7% of privilege fees paid for FY 2016) and rental car customers a \$10.00 customer facility charge (CFC) per transaction. Gross receipts are a function of activity (referred to in the industry as transactions), the rental rates charged by the rental car companies, and the average duration of the transaction (i.e., number of days rented). Rental car privilege fees were 8.0% of total operating revenues in FY 2016.

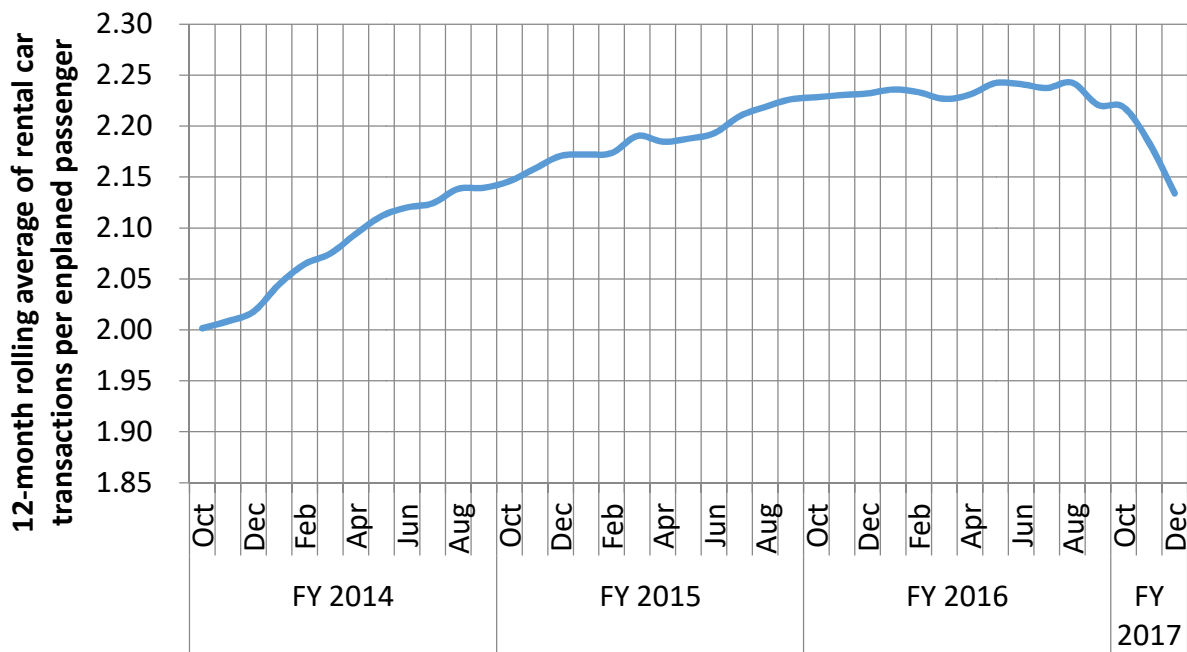
As shown in the following table, rental car privilege fees per enplaned passenger flattened in FY 2015 and FY 2016, mirroring the broad trends in GT revenues. Since the CFC is charged per transaction, while not shown in this table, CFC revenues followed the same trend as transactions.

	Enplaned passengers	Rental car (RAC) transactions	RAC transactions per enplaned passenger	RAC gross sales (revenues to RAC)	RAC privilege fees (revenues to LGB)	RAC privilege fees per enplaned passenger
<b>FY 2012</b>	1,643,383	*	*	\$29,485,984	\$3,065,722	\$1.87
<b>FY 2013</b>	1,497,503	162,913	0.11	28,722,371	2,963,889	1.98
<b>FY 2014</b>	1,433,273	164,527	0.11	29,462,641	3,051,551	2.13
<b>FY 2015</b>	1,276,679	156,253	0.12	27,335,464	2,834,488	2.22
<b>FY 2016</b>	1,327,001	164,931	0.12	28,828,673	2,943,664	2.22
<b>FY12-16*</b>						
% change	(19.3%)	1.2%	9.1%	(2.2%)	(4.0%)	18.7%
CAGR**	(4.2%)	0.3%	2.2%	(0.4%)	(0.8%)	3.5%

\* LGB did not begin charging a CFC or require the RACs to report transactions until March 2012, so full-year FY 2012 data are not available. Percent change and CAGR data are shown in italics for FY 2013-2016.

\*\*CAGR=Compound annual growth rate.

While annual data through FY 2016 shows a flattening in transactions per enplaned passenger, 12-month rolling average transaction data shows a relative flattening in relative activity beginning in October 2016 and a recent sharp decrease beginning when Southwest began LGB service in June 2016, as shown in the following chart. As is the case with parking revenues, it is not known to what extent this decrease is attributable to increased take-up of TNCs or changes in the LGB passenger profile resulting from the intensified Southwest-JetBlue competition.



## BENCHMARK REVIEW OF GROUND TRANSPORTATION OPERATIONS

### General Ground Transportation Industry Best Practices

The ACRP Report included several industry best practices pertaining to all commercial GT operations. Depending upon local circumstances and operating conditions, these may not be appropriate for all airport operators. As stated in the prior section, “The Airport Ground Transportation Industry—Typical Business Practices and Fee Structures,” the scope of GT regulations is a matter of political preferences; airport management policy and goals; and the specific operating conditions of the particular airport. These best practices included:

#### Business Arrangements

- *Local solutions*—The best business arrangements reflect specific airport operating circumstances and management and regional goals, be they operational, financial, environmental, or any other criteria.
- *Degree of access*—Airport operators must balance supply with demand and preserve a certain amount of control over their passengers’ experience. Pure open access systems are difficult to manage for a consistent passenger experience and often result in oversupply, preventing business owners from earning a return on its investment necessary to invest in new vehicles as older vehicles reach the end of their useful life, to maintain vehicles in a

desirable state, or to pay their drivers living wages. Similarly, purely exclusive arrangements prevent competition and can degrade passenger service. Semi-exclusive arrangements may be appropriate either in an environment of oversupply or when the desired level of passenger service is not being achieved.

### Use of Technology

- *Systems integration*—Increasingly GTM systems are interfacing with mobile devices to provide “real-time” operational information and business intelligence to airport management, curbside operations, and planning staff. Additionally, web-based and app-enabled technologies can be used to improve the efficiency and accessibility of the permitting and account maintenance processes (e.g., online applications and fee remittance). These technologies and systems can be integrated with accounting, lease management, and other systems to improve compliance and reporting; provide financial and operational analytics for management; to reduce staff workload and manpower requirements by improving efficiency; to improve customer service to GT operators.

### Fee Structure and Collection

- *Fee structure*—A rational, equitable, and defensible fare structure attempts to connect costs with the fees being charged. **A combination fixed (annual permit fee)-variable (per-trip fee) charging regime is equitable as it ensures that frequent operators pay fees proportionate to their degree of use and their revenue-earning potential.** Other fees such as application fees should be charged to better connect fees with costs or when otherwise consistent with airport operator goals.
- *Fee collection*—**To minimize the administrative burden and to improve compliance, electronic fee collection using proximity cards, RFID technology, or other GTM systems is recommended for airport operators imposing per-trip fees.**

### Rules and Regulations—Minimum Standards

- *Minimum vehicle standards*—Some airport operators impose minimum standards for vehicle age (e.g., less than 10, 7, or 5 years old or maximum mileage, sometimes differing by vehicle type), passenger capacity, type (e.g., alternative fuels), and ability to accept credit card payments.
- *Minimum driver standards*—Some airport operators impose minimum requirements such as age (typically at least 21), English language speaking ability, and appearance (most often either general “neat and professional” requirement, requirement for collared shirt and dark pants, or prohibition of shorts and t-shirts). Some airport operators explicitly restrict drivers with prior criminal convictions.

### Rules and Regulations—Passenger Service

- *Driver training*—Recognizing the uniqueness and complexity of airport GT operations, or regional programs for training travel industry workers, some airport operators require driver training. Training topics can cover airport rules and operating procedures; knowledge of the

region, including key attractions, major thoroughfares, route alternates, and neighborhoods; and customer service and communication. Training and testing can be conducted online to maximize convenience and minimize staff time.

- *Passenger feedback mechanisms*—Many airport operators take steps to ensure passengers are able to provide feedback easily by requiring an in-vehicle sign to be posted with airport customer service contact information or by handing out comment cards to passengers in queues or as they board. Some airport operators also employ “secret shoppers” for GT operations, often as part of an airport-wide passenger service program.

### Rules and Regulations—Operations

- *Hold lots*—Hold lots are necessary when GT vehicle queues cause congestion on airport roadways or curbsides, or congestion spills over into neighboring businesses and residential areas. To avoid long wait times, some hold lots are either constrained in size by design or have maximum staging times.
- *Drivers’ lounge*—For airports with long wait times (i.e., more than 2 hours), the ACRP Report recommends a driver’s lounge that at a minimum includes restrooms. Some airport operators include seating in the lounge, displays of the electronic dispatch queue, and vending machines. Others allow private food trucks to operate in the staging lot.
- *Addressing oversupply and long waits*—For airports experiencing consistent oversupply (typically those with open-access systems), limiting hold lot capacity or implementing a rotation system (e.g., companies or vehicles able to operate only either on even-numbered days or on odd-numbered days) is recommended.
- *Addressing undersupply*—For airports experiencing undersupply due to irregular operations (i.e., late flights) or a seasonal peak, the use of social media, in particular Twitter, is recommended. This channel allows airports to broadcast the need for additional vehicles as circumstances require.
- *Communicating with GT companies and drivers*— Some airport operators are also using social media such as Twitter for “real-time” communications regarding operational changes or constraints attributable to construction, accidents, or street closures and periodic safety, regulatory, or service reminders (e.g., upcoming permit renewal cycles).
- *Enforcement*—Well-defined rules and regulations with clearly identified penalties for violations should be published and advertised to allow for meaningful enforcement. Active, consistent, and strict enforcement is necessary to protect public safety, ensure a level playing field amongst drivers, and protect drivers’ economic interests by preventing the “free rider” problem. Some airports use “point systems” to distinguish between minor infractions (e.g., broken taillight) and major infractions (e.g., short trip refusals). Others impose a graduated fine or suspension system that increases with each additional violation over a certain period of time.

**Other things equal, in the absence of capacity issues; specific and widespread passenger or GT operator complaints; or region-wide tourism initiatives, a simplified regulatory environment is more appropriate at smaller airport such as LGB, with relatively uncomplicated GT operations.** However, all airport operators should periodically review their rules and regulations and update them as the



operating environment changes. Such review should incorporate comments from passengers and GT operators.

### Ground Transportation Regulation and Operations at Benchmark Airports in General

**Use of Technology.** All but 1 benchmark airport use transponder-based GTM systems to monitor and manage commercial ground transportation operations, as summarized in the following table. BUR used transponders until its system became obsolete in 2011 and is in the process of evaluating a replacement system. The opportunity may exist to use at LGB the same transponder systems in use at other Los Angeles Basin airports.

Airport	Uses transponder?	One-time installation fee	Replacement fee
<b>LGB</b>	<b>No</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Other Los Angeles Basin airports</b>			
LAX	Yes	\$50.00	\$50.00
SNA	Yes	n.a. (first free)	n.p.
BUR	No	n.a.	n.a.
<b>Other California airports</b>			
SFO	Yes	\$1,000 deposit	n.a.
SAN	Yes	n.a. (first free)	\$75.00
OAK	Yes	\$50.00	\$50.00
SJC	Yes	\$25.00	\$25.00
SMF	Yes	\$30.00	n.p.
PSP	Yes	\$28.00	\$55.00
Note: n.a.=not applicable; n.p.=not published.			

Since GT operations at LGB are relatively uncomplicated (single terminal access roadway, single curbside, relatively unpeaked operations, and relatively low passenger volume), implementing a GTM system need not be expensive, while the benefits of reliable data, electronic revenue collection, and automated enforcement are high. Automated enforcement is also in the best interest of GT operators, as it protects their economic interest in maintaining a NELA with LGB. The use of an online portal would improve convenience for GT operators and would reduce LGB staff workload.

With relatively uncomplicated GT operations, to minimize costs for both the Airport and GT operators, an RFID solution (similar to the use of FasTrak for area express lanes) may be best-suited to LGB. At the time of publication in 2015, the ACRP Report estimated initial RFID-based GTM system capital costs (excluding any enabling costs related to communications or utilities, ancillary functionality, and the annual software operating and maintenance contract, if any) ranging between \$135,000 (for a single reader location and 250 vehicles) and \$600,000 (for four reader locations and 1,000 vehicles), with the main variables being number of reader locations; number of tagged vehicles; and the server size, its

capabilities, and the provisions made for security and redundancy. As of January 2017, LGB permitted approximately 300 vehicles.

**Fee Structure.** As discussed in greater detail in the remainder of this section, fee structures vary widely amongst benchmark airports, with some being simple and others being complex. In general, the more complex fee structures are as such as they attempt to realize policy goals such as reduced congestion, reduction in emissions, or the sharing of courtesy shuttles among hotels. The simpler fee structures (SJC being an example) treat all vehicle movements the same, be they from a taxicab, a limousine, a shared-ride van, a courtesy shuttle, or a charter bus, by charging the same per-trip fee. **In the absence of specific policy goals, a simplified fee structure is recommended due to its ease of administration and readily transparent appearance of equity.**

As documented in the prior section, “The Airport Ground Transportation Industry—Typical Business Practices and Fee Structure,” an industry best practice is to institute an equitable fee system with fixed (e.g., permit fee) and variable (per-trip fee) components for similarly situated operators. Fixed fees are typically set to recover the cost of processing applications and administering permits, while per-trip fees are typically set to recover the cost of operating, maintaining, and enforcing the commercial GT curbside, including costs of GTM systems. A hybrid fixed-variable fee regime is equitable as it ensures that frequent operators pay fees proportionate with their degree of use and their revenue-earning potential. The following table summarizes fee structures at benchmark airports.

Airport	Taxicabs	Limousines and scheduled vans	Nonscheduled vans
<b>LGB</b>	<b>Fixed only</b>	<b>Fixed only</b>	<b>Fixed only</b>
<b>Other Los Angeles Basin airports</b>			
LAX	Hybrid	Hybrid	Hybrid
SNA	Variable only	Variable only	Variable only
BUR	Fixed only	Hybrid	Hybrid
<b>Other California airports</b>			
SFO	Variable only	Hybrid	Hybrid
SAN	Variable only	Fixed only	Variable only
OAK	Hybrid	Hybrid	Hybrid
SJC	Hybrid	Hybrid	Hybrid
SMF	Variable only	Variable only	Variable only
PSP	Variable only	Hybrid	Hybrid
<small>Note: Airports labeled as hybrid charge some combination of fixed (permit or application fee) and variable (per-trip) fees. BUR used a transponder-based GTM system until the system became obsolete in 2011 and charges on the basis of fees paid that year (effectively a minimum annual guarantee on hybrid fees paid in 2011). BUR is evaluating whether to re-implement a GTM system in 2017.</small>			

**With no GTM system at LGB, the ability to charge per-trip fees is severely limited as doing so would rely entirely on self-reporting.** Under the proposed TNC Pilot Program, however, per-trip fees will be

implemented for TNC vehicles. **No GTM system or infrastructure is required to monitor TNCs, as tracking is GPS-based and the reporting responsibility lies with the TNC provider (e.g., Uber and Lyft).** The reasonableness of the proposed fees aside, the proposed fee structure can be seen as inequitable for TNCs given the fixed-fee structure for all other commercial GT operators, in particular taxicabs, which have a similar on-demand, door-to-door business model aimed at a single passenger or small group of passengers.

Consistent with the “self-sustaining” requirement documented in the prior section “The Airport Ground Transportation Industry—Federal Rates and Charges and Revenue Use Policy” and industry best practices documented in the prior section “Ground Transportation Industry Best Practices,” an equitable, “best-practice” fee structure would seek to:

- Set the initial application fee to recover at least the direct cost of processing the application
- Set the annual permit fee to recover at least the direct cost of permit administration, including any costs allocable to systems employed for NELA, account management, and facilities (e.g., hold lot) provided, if any
- Set a per-trip fee to recover at least the direct cost of any GTM system and enforcement
- Set an equipment fee to recover the cost of RFID or other in-vehicle equipment required by the GTM system

Since nonaeronautical facilities such as terminal concessions, parking garages, commercial vehicle curbsides, and commercial leases are not subsidized by federal Airport Improvement Program (AIP) grants, the FAA does allow market rates to be charged for such operations. For airports in multi-airport markets such as LGB, the fee structure should take into account structures at competing airports so as not to distort passenger choice.

***Rules and Regulations.*** All benchmark airports published rules and regulations with minimum vehicle and driver standards applying to the cleanliness and appearance of vehicles and drivers and the professional and courteous behavior of drivers. These rules and regulations ranged from simple “neat and clean” requirements to more specific requirements for drivers to be clothed in collared shirts, dark pants, socks, and shoes and to be familiar with the local area.

LGB staff did indicate their preferences for minimum vehicle and driver appearance and knowledge standards for all GT operators, including taxis and limousines, to improve passenger service. These standards could be implemented through the adoption of more specific rules and regulations to provide additional clarity to the restrictions and requirements of the NELA. These expanded rules and regulations could be reinforced with a training program addressing passenger service standards and airport curbside, roadway, and other operations.

## Regulation and Operations of Transportation Network Companies at Benchmark Airports

***Current Fee Structure and Operations at LGB.*** In response to the rapidly increasing popularity of TNCs, LGB has proposed the implementation of a pilot program allowing TNC drivers using their personal vehicles (e.g., uberX and Lyft) to pick-up and drop-off passengers for a 6-month period. (Licensed limos and luxury vehicles using UberBLACK and UberSUV to book rides already operate at LGB and pay the standard annual permit fee.) TNCs would be charged a flat fee of \$3.00 per trip (either pick-

up or drop-off). The \$3.00 fee is typically charged by Uber directly to passengers as a supplement to their fare and is therefore not paid by the TNC or the driver.

LGB has proposed this pilot program as temporary to gather data and assess the operational and passenger service impacts of TNCs on airport roadways, curbsides, and other facilities. Another key rationale for the pilot program is to legitimize and regulate operations that are already occurring to improve passenger service, as there are limited regulatory options for LGB management to do so now (i.e., drivers are not recognized as commercial drivers today as they are operating their own private vehicles).

LGB has prepared a draft agreement allowing TNC operations during the pilot program, which has been accepted in principle by 4 TNCs, namely Uber, Lyft, See Jane Go, and Wingz. The agreement has standard requirements for the implementation of a geo-fence to be designated by LGB; appropriate pick-up and drop-off locations; requirements for vehicle identification or “trade dress”; requirement for monthly reporting and fee remittance; requirements to abide by Airport rules and regulations; and other compliance requirements (e.g., State licensing). Since the program as proposed is temporary, no new facilities (e.g., hold lot) will be provided. Assuming that 7% of LGB’s passengers may use TNCs to access the Airport as indicated by the January 2017 survey, indicating that the pilot program could generate incremental revenues of approximately \$550,000 per year based on FY 2016 total (enplaned plus deplaned) passenger numbers of approximately 2.7 million. This projection is much higher than the fees paid by all other GT operators combined.

**Industry Best Practices.** The rapid expansion of TNCs has meant that the regulatory environment and best practices, including those specific to airport operations, is continuously evolving. Similarly, third-party products affecting the TNC industry such as hybrid personal-commercial insurance are evolving. Several states are considering regulating TNCs to provide uniform requirements statewide. In California, the State PUC regulates TNCs, relieving some pressure off of municipalities to develop their own regulations. In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report reported the following best practices specific to TNCs in this evolving environment. **Other than not proposing a hold lot during the pilot period while demand and need are being evaluated, LGB’s proposed pilot program is fully consistent with these industry best practices.**

- *Commercial relationship*—Airport operators allowing TNC operations typically have agreements in place with the TNC itself (e.g., Uber or Lyft). These agreements require the TNC and its operators to abide by the airport’s rules and regulations, including restrictions on parking and vehicle circulation imposed by a geo-fence; pay required fees; maintain required vehicle inspections and insurance; conduct background checks; and regularly report operations data. TNCs oppose airport operators wishing to separate relationships with drivers, as they feel an additional regulatory burden would impact the flexibility of their business model, in which many drivers are driving on a part-time basis for supplemental income.
- *Vehicle identification (“trade dress”)*—Airport operators typically require vehicles to display trade dress (e.g., window decals) allowing the vehicles to be identified from a certain distance (typically 50 feet). Some airport operators issue additional vehicle-specific permits.

- *Fee structure*—Airport operators typically charge an annual permit fee and cost-recovery trip fees, although some airports also charge dwell-time fees to decrease roadway congestion.
- *Insurance requirements*—Different insurance requirements typically apply when a personal vehicle is providing TNC services (either while soliciting the pick-up of passengers, driving en route to pick up a passenger, or when the passenger is in the vehicle). The State of California has defined three periods of TNC activity with related insurance requirements as documented in the prior section, “Ground Transportation Operations at LGB—Insurance Requirements.”
- *Vehicle tracking and reporting*—Airport operators typically require the TNC to impose a geo-fence boundary around airport circulation roadways and parking facilities that prevent drivers from soliciting rides inside the boundary. The geo-fence records each time the TNC vehicle enters or exits the boundary and is typically the basis upon which per-trip fees are calculated.
- *Reporting*—Most airport operators require TNCs to file monthly reports of TNC activity (date and time of driver entry into, or exit from, the geo-fence) and fees payable. These data are typically tracked by a unique driver identifier, as TNC driver information is considered commercially sensitive and proprietary. Some airports have reported problems with accuracy involved with this form of TNC self-reporting. SFO and the American Association of Airport Executives (AAAE) together created a proprietary tracking system to improve the accuracy of self-reported. The two entities jointly market their solution via the AAAE App-based Transportation (ABT) Clearinghouse.
- *Staging and waiting areas*—Most airport operators offer either a dedicated staging lot, often with a time limit, or a designated “First-in, First-Out” (FIFO) waiting zone with areas for public parking or vehicle circulation. Other airports impose only a geo-fence on airport property, requiring drivers to wait anywhere outside the boundary to accept rides. Such an approach can create congestion problems for surrounding roadways, businesses, and neighborhoods. Some airports charge the TNC for the lease of the dedicated staging lot, with lease rates typically based on market ground lease rates plus recovery of any improvements (e.g., paving, outdoor seating, restrooms or lounge). Staging lots are typically separate from taxicab and other commercial GT staging lots to prevent discord.
- *Accessibility*—Airport operators typically do not impose separate accessibility requirements (e.g., minimum share of vehicle fleet to be wheelchair accessible), instead relying on city or state legislation. The State of California requires TNC apps to allow passengers to indicate whether they require a wheelchair-accessible vehicle.

***Fee Structure and Operations at Benchmark Airports.*** Attachment 1 summarizes the fee structure and distinct operational practices among benchmark airports. All benchmark airports permit TNC operations (pick-up and drop-off) and charge fees except Palm Springs, which allows only drop-offs and does not impose a fee. The City of Palm Springs considered allowing TNCs to pick-up at PSP as recently as October 2016, but would proposed additional random drug and alcohol testing requirements that were not accepted by TNCs. Likewise, as of January 2017, OIAA does not permit TNCs to pick-up passengers on ONT property. (As stated in the prior section, “Study Methodology,” ONT is not included as a benchmark airport in this study as its GT regulations and fee structure is currently under review

following the transfer of management from LAWA to OIAA.) In December 2016, OIAA stated its intention to implement a new regulatory regime allowing TNCs at ONT by April 2017.

All but 1 benchmark airport charge the same fee for both picking up and dropping off passengers; SNA charges only for picking up passengers. All airports use geo-fences to restrict drivers from circulating on airport roadways or parking at nondesignated facilities to receive ride requests. All airports but BUR have designated, GPS-based FIFO staging lots, waiting areas, or zones. TNCs at BUR must accept requests before entering airport property. **LGB's proposed fee rate is less than or equal to 5 of the 8 benchmark airports allowing TNCs (all but SNA, SJC, and SMF), indicating appropriate, market-based pricing.**

### Regulation and Operations of Taxicabs at Benchmark Airports

**Current Fee Structure and Operations at LGB.** The City of Long Beach maintains an exclusive agreement with Long Beach Yellow Cab (LBYC), which is the only taxi service allowed to pick-up passengers within City limits, including from the Airport. A separate agreement (dating to May 1983 with a month-to-month term) between LBYC and LGB requires LBYC to pay LGB a monthly fee of \$500 (\$6,000 per year) as a privilege fee to access the LGB curbside to pick-up Airport passengers. Having not been revised for 30 years, these provisions are highly favorable to Long Beach Yellow Cab and an outlier amongst benchmark airports. Any taxicab company can drop-off at LGB without a fee or permit.

This agreement also requires LBYC taxicab operators to abide by all LGB Rules and Regulations, as they may change from time to time, in addition to other restrictions and prohibitions (e.g., prohibition on denying fares because of distance, prohibition on solicitation or harassment of passengers, and requirement to use only designated holding areas). The agreement requires taxicab drivers to be “qualified, competent, and experienced” and the interior and exterior of taxicab vehicles to be kept in a “neat and clean condition” at LBYC’s own expense. Drivers are not badged by LGB and do not undergo any LGB-specific operational or passenger service training. These requirements are consistent with the NELA requirements for limousines, luxury vehicles, and shuttles, although the 1983 agreement does not reserve the right for LGB to install transponders as the technology did not exist at the time.

**Industry Best Practices.** In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report included several industry best practices specific to taxicabs:

- *Insurance*—Minimum insurance levels of \$100,000 per person bodily injury/\$500,000 per incident (for all injuries caused to the other party) and \$100,000 in property damage (often referred to as “100/500/100 coverage” are recommended. Taxicab companies should name the airport operator as a co-insured, and the insurance company should be required to notify the airport of any lapse in coverage.
- *Short-trip procedures*—Assuming taxicabs are dispatched on a traditional FIFO basis, each driver should have an equal chance of getting a short fare as the “luck-of-the-draw.” As such, the ACRP Report states that not having short-trip procedures (e.g, ability to return to head of line after dropping off passenger) is a best practice, although minimum fares can be set to mitigate the negative impact.



***Fee Structure and Operations at Benchmark Airports.*** Attachment 2 summarizes benchmark findings for taxicab operations. **All but 1 airport charge per-pick-up fees. Most airports operate with exclusive or semi-exclusive arrangements similar to LGB’s exclusive arrangement with Long Beach Yellow Cab.**

## Regulation and Operations of Limousines and Luxury Vehicles at Benchmark Airports

***Current Fee Structure and Operations at LGB.*** As of January 2017, LGB maintains NELAs with approximately 220 limousine and luxury vehicle operators, with varying degrees of activity. State PUC TCP licensing requirements apply to limousines and luxury vehicle operators. Some limousine and luxury vehicle drivers use TNCs to book rides. The NELAs require an annual permit fee of \$50. No per-trip fees are charged. Other NELA provisions are as described in the prior section, “Ground Transportation Operations at LGB—Application and License Agreement.”

***Industry Best Practices.*** In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report included several industry best practices specific to limousines and luxury vehicles:

- *Designated meet-and-greet areas*—Some airport operators designate space on the Arrivals Level, usually with stanchions, for drivers to wait for their passengers. In addition to possessing a waybill, drivers are typically required to display a sign with the passenger’s name.
- *Controlling illegal solicitation*—Especially at busy airports, illegal solicitation adversely affects licensed drivers and often results in the “hustling” of passengers who are intimidated into paying above-market fares. The State of California has passed anti-solicitation state laws that give police officers better ability to arrest drivers for illegal solicitation. Some airports cycle periodic announcements warning against illegal solicitation, while others have aggressive programs to photograph and keep track of repeat offenders.

***Fee Structure and Operations at Benchmark Airports.*** Attachment 3 summarizes benchmark findings for limousine and luxury vehicle operations. The benchmark airports typically impose both annual permit and per-trip fees for limousine and luxury vehicle operation. **Six airports charge an annual permit fee, with the fee rate for all airports except 1 being at least \$150 and as much as \$500 (compared with the \$50 fee rate for LGB). Seven airports charge per-trip fees.**

## Regulation and Operations of Shared-Ride Shuttles (Reservation TCP and Nonreservation PSC) at Benchmark Airports

***Current Fee Structure and Operations at LGB.*** As of January 2017, LGB maintains NELAs with 21 shared-ride shuttle operators, with varying degrees of activity. Of these, 8 are licensed as TCPs and are permitted to pick up only passengers with reservations. The remaining 13 are licenses as PSCs and can pick up passengers with and without reservations. A moratorium on nonreservation shuttle operators was instituted shortly after the implementation of a fixed annual permit fee in 2012. Currently, the Airport permits 13 nonreservation shuttle operators. The NELAs require an annual permit fee of \$50 (for reservation-only shuttles) and \$1,000 (for nonreservation or “free-call” shuttles). No per-trip fees are charged. Other NELA provisions are as described in the prior section, “Ground Transportation Operations at LGB—Application and License Agreement.” Dispatching is provided by LGB’s parking



facility operator, ABM, as described in the prior section, “Ground Transportation Operations at LGB—Operations.”

At the request of LGB, in April 2015, ABM developed rules and regulations for shuttle operations (both reservation and nonreservation) in addition to those imposed by the NELA. These regulations address driver appearance, vehicle cleanliness, vehicle staging, and passenger service (e.g., prohibition for drivers to reject local fares).

**Industry Best Practices.** In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report included several industry best practices specific to shared-ride shuttles:

- *Third-party operators*—In open-access systems, airport operators designate a third-party operator to provide fair and impartial curbside management and oversight. (LGB currently employs this best practice with its parking contractor, ABM.)
- *Exclusive and semiexclusive business arrangements*—Many airports issue requests-for-proposals (RFPs) to prevent the negative effects of oversupply. Some airport operators allow semi-exclusive operators to compete for the same passengers, while others grant concessions based on geographic service area. Others allow small businesses to operate as a driver collective or consortium. Operators typically pay the greater of a negotiated percent share of gross receipts or a minimum annual guarantee (MAG). As described in the prior section, “General Ground Transportation Industry Best Practices—Business Arrangements,” exclusive or semi-exclusive arrangements can be used to improve passenger service, ensure business owners receive a reasonable return on investment, and ensure drivers earn fair or living wages.
- *Passenger-service standards*—Especially under exclusive and semi-exclusive business arrangements (due to the level of investment required), airport operators can require certain levels of passenger service, including the ability to book reservations online, maximum wait times, maximum en-route stops, and vehicle-tracking technology.

**Fee Structure and Operations at Benchmark Airports.** Attachment 4 summarizes benchmark findings for shuttle operations. Most benchmark airports typically impose per-trip fees for shared-ride shuttle operations. **Four airports charge an annual permit fee, with the fee rate ranging from \$55 to \$500. Eight airports charge per-trip fees.**

## Regulation and Operations of Courtesy Shuttles at Benchmark Airports

**Current Fee Structure and Operations at LGB.** As a matter of current policy, LGB does not license, nor charge permit fees for courtesy shuttles such as those from area hotels, motels, off-airport rental car operators, businesses, and attractions. This policy is in effect as the operator does not charge passengers for the service, although the convenience of the service should allow the hotel operator to charge higher room rates than it otherwise would be able to. Likewise, LGB does not license, nor charge permit fees, for the 2 off-airport rental car companies picking up passengers at the Airport. (On-airport rental car facilities are located within walking distance of the terminal, and no off-airport parking is currently provided.) It is estimated by LGB staff that 7 hotels and other companies regularly schedule courtesy shuttles to the Airport.

**Industry Best Practices.** In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report included several industry best practices specific to courtesy vehicle operators:

- *Fee structure*—Recognizing the different revenue earning potential of different hotel operations, many airports institute tiered fee structures for hotel shuttles, either by number of rooms or vehicle capacity or length (these two variables being a reliable surrogate for hotel size). Airport operators experiencing congestion often offer discounted rates to 2 or more hotels consolidating shuttle activities. Also in congested environments, fee structures incorporating dwell-time or demand-management fees are recommended, in particular for off-airport rental car and parking operators.

**Fee Structure and Operations at Benchmark Airports.** Attachment 5 summarizes benchmark findings for courtesy vehicle operations. **All benchmark airports charge an annual permit fee, a per-trip fee, or a combination thereof, to courtesy shuttle operators. Eight airports charge per-trip fees to at least some classes of courtesy vehicles.** Fees vary by type of shuttle (i.e., hotel and motel, off-airport parking, and off-airport rental car).

## Regulation and Operations of Charter Buses and Vans at Benchmark Airports

**Current Fee Structure and Operations at LGB.** As of January 2017, LGB licenses only reservation and non-reservation shuttle operators. No separate permits are issued for charter operators, although the Airport is a popular embarkation point for cruise ship travelers.

**Industry Best Practices.** In addition to the general industry best practices described in the prior section, “General Ground Transportation Industry Best Practices,” the ACRP Report included several industry best practices specific to charter buses and vans:

- *Occasional use permits*—Some airport operators charge infrequent users (typically defined with a maximum number of trips per year) a one-time permit or access fee. These permits can often be purchased through airport websites and are valid for a 24-hour period or a single circuit. Other airport operators license large passenger stage companies and not individual vehicles.

**Fee Structure and Operations at Benchmark Airports.** Attachment 6 summarizes benchmark findings for limousine and luxury vehicle operations. **Most benchmark airports impose a fee structure similar to that for limousines and luxury vehicles, with some airports imposing higher one-time or infrequent per-use or permit fees.**

## PUBLIC MEETING AND COMMENT PERIOD

**Public Meeting.** A public meeting was held on February 1, 2017 from 6:00pm to 8:00pm at the Long Beach Gas and Oil Department offices at 2400 Spring Street, Long Beach. The meeting was advertised by LGB via press release and its website. The Long Beach Press-Telegram reported on the upcoming meeting in its January 17, 2017 issue.

The meeting was attended by approximately 100 individuals, mainly representing TNCs, Long Beach Yellow Cab, and limousine and luxury vehicle operators. The Press-Telegram also attended and

published a follow-up article in its February 2, 2017 issue. This story referred to the additional comment period through February 10, 2017 and the e-mail address for comments to be sent. A copy of the presentation made by FRASCA at the meeting is provided as Attachment 7 to this report.

**Comments Received DURING Public Meeting.** Following the presentation, the floor was open for public comment, with respondents asked to limit their comments to 3 minutes. Public comments can be grouped as follows.

### **Generally speaking IN SUPPORT OF allowing TNC operations at LGB**

#### **Passenger Demand**

- TNC drivers reported anecdotally of picking up passengers who walked from the terminal to Lakewood Drive and stated that their passengers want to be able to be picked up at the terminal.
- TNC drivers reported that their product was popular and in-demand because the fare structure was affordable and passengers knew exactly how much they would be charged before they were picked up.

#### **Job Opportunities for Long Beach Residents**

- TNC drivers, including many who stated to be residents of the City of Long Beach, thanked Uber, Lyft, and See Jane Go for the opportunity to earn money on a flexible work schedule.

#### **Better Customer Service for Long Beach Residents**

- TNC drivers stated that they believed TNCs offered better customer service to Long Beach residents by not being able to refuse fares to areas of the region underserved by taxicabs.

#### **Adequate Background Checks**

- TNC drivers reported that they underwent background checks required by the PUC in order to driver for the TNCs.
- TNC drivers reported that they believed app-based transportation systems are safe because the passenger is given a photo of the driver, the vehicle identification, and an option to contact the driver before the ride begins.

#### **Safety**

- TNC drivers reported that TNCs prevent traffic accidents and fatalities by taking impaired drivers off of the road.

### **Generally speaking AGAINST allowing TNC operations at LGB**

#### **“Level Playing Field” and Fair Regulatory Environment**

- Taxicab and limo drivers stated that they did not believe there was a “level playing field” for TNCs because of different regulatory requirements for minimum insurance, drug testing, and fingerprinting that imposed higher operational costs on their operations.

### **Safety**

- Taxicab and limo drivers stated that TNCs were not as safe as their operations due to the lack of fingerprinting, rigorous background checks, and less stringent insurance requirements.

### **Better Customer Service for Long Beach Residents**

- Taxicab drivers disputed that TNCs served underserved areas better than taxicabs as they are also prevented by City regulations from turning down fares.
- Taxicab drivers reported that taxicabs better served underserved and “underbanked” communities by allowing customers to pay for their fare in cash rather than a credit card as required by TNCs.
- Taxicab drivers reported that they better served disabled Long Beach residents due to regulatory requirements that required that a certain percentage of their fleet be able to accommodate customers with disabilities.

### **Decrease in Revenues for other GT Modes**

- Local representatives of the Avis Budget Group stated their concern that TNCs would decrease customer facility charge revenues and, by extension, make complicate the affordability of the proposed consolidated rental car facility.

### **Other Comments**

- An attendee stated his concern that LGB closely monitor the implementation for any operational problems.

**Comments Received AFTER Public Meeting.** LGB opened a 9-day public comment period through February 10 for interested parties to submit additional comments via e-mail. During this period, 3 comments were received, all in support of allowing TNC operations at LGB. These are attached to this report as Attachment 8.

Of the 3 comments, 2 were received from LGB passengers who cited negative experiences, including bad customer service and unreliability, with Long Beach Yellow Cab after arriving from inbound flights at LGB. One also stated their belief that it was inappropriate for the City of Long Beach to allow Long Beach Yellow Cab to have a monopoly. One comment was received from the Chief Marketing Officer of See Jane Go, which proposes to serve LGB during the pilot period. This individual spoke in support of allowing TNCs to meet passenger demand, provide affordable service, provide job opportunities for area residents, and to provide women passengers a distinctive choice in TNC operations.

Additionally during the comment period, Uber Technologies provided LGB staff with a “Safety with Uber” white paper that documented their safety measures. This white paper is provided as Attachment 9.

**LGB Consideration of Public Comments.** LGB management considered the comments received during the public meeting and public comment period and is recommending to the City of Long Beach to

proceed with the pilot program as proposed and as recommended by this study in the section “Summary of Findings and Recommendations.” Responses to specific comments and concerns follow.

- *“Level playing field,” fair regulatory environment, safety, and customer service*—LGB’s pilot program as proposed is to accommodate TNCs within the regulatory bounds established by the PUC. No additional regulations above and beyond those imposed by the State have been proposed for any commercial GT operators. Moreover, the business terms and regulations proposed in the pilot program by Long Beach is consistent with those being used by most airports nationwide that accommodate TNCs, including the benchmark airports.
- *Potential decreases in CFC revenues*—LGB is beginning the planning phase for the proposed consolidated rental car facility. Such planning will take into account any change in facility requirements attributable to the reduced demand for rental cars, if any, resulting from TNCs.
- *Monitoring of implementation*—LGB is proposing a 6-month pilot program to evaluate usage; the implementation of the geofence and its impact on the surrounding environs; and the demand and need for additional facilities such as a hold lot for TNCs.

## Attachment 1

**Transportation Network Company (TNC) Benchmarks**

Airport	Per-trip fee	Distinct practices
<b>LGB (proposed)</b>	<b>\$3.00</b>	<ul style="list-style-type: none"> <li>• <b>6-month pilot program</b></li> </ul>
<b>Other Los Angeles Basin airports</b>		
LAX	\$4.00	<ul style="list-style-type: none"> <li>• Drivers required to watch training video and pass an app-based quiz</li> <li>• Dedicated staging lot with 30-minute time limit</li> </ul>
SNA	\$2.25*	<ul style="list-style-type: none"> <li>• No separate airport permit required</li> <li>• Designated “waiting zone” bordered by certain streets with no time limit</li> </ul>
BUR	\$3.00	<ul style="list-style-type: none"> <li>• No separate airport permit required</li> <li>• Drivers must accept ride request before entering airport property (no designated waiting zone)</li> <li>• Drivers must park in short-term parking for pick-up and pay standard \$3.00 minimum parking rate (when combined with pick-up fee, effective \$6.00 “all-in” pick-up cost)</li> </ul>
<b>Other California airports</b>		
SFO	\$3.80	<ul style="list-style-type: none"> <li>• All pick-ups and drop-offs must occur at Departures (Upper) Level</li> <li>• Dedicated staging lot with 30-minute time limit</li> </ul>
SAN	\$3.86	<ul style="list-style-type: none"> <li>• Restricted to vehicles 10 years old or newer</li> <li>• Airport conducts random audits of TNC background checks</li> <li>• Dedicated staging lot</li> <li>• Curbside pick-ups not allowed; pick-ups must be made from designated areas in parking lots (first 10 minutes are free; standard rates apply thereafter)</li> </ul>
OAK	\$3.85	<ul style="list-style-type: none"> <li>• Single designated pick-up location for both terminals</li> <li>• No dedicated staging lot, but designated FIFO Zone bordered by nearby streets</li> <li>• Uber pays \$3.15 per pickup but also pays a minimum annual guarantee</li> </ul>
SJC	\$2.80	<ul style="list-style-type: none"> <li>• Dedicated staging lot with 30-minute time limit</li> </ul>
SMF	\$1.35	<ul style="list-style-type: none"> <li>• uberX vehicles do not require separate airport permit</li> <li>• Dedicated staging lot with 30-minute time limit</li> </ul>
PSP	n.a.	<ul style="list-style-type: none"> <li>• Only allows drop-offs</li> </ul>
*— Does not charge drop-off fee.		

Attachment 2  
Taxicab Benchmarks

Airport	Annual permit/ admin fee	Per- pick-up fee	Distinct practices
<b>LGB</b>	<i>n.a.</i>	<i>n.a.</i>	<ul style="list-style-type: none"> <li>• <b>Exclusive (1 operator)</b></li> <li>• <b>Privilege fee of \$500 per month (\$6,000 per year) for all operations</b></li> </ul>
<b>Other Los Angeles Basin airports</b>			
LAX	\$150.00	\$4.00	<ul style="list-style-type: none"> <li>• Semi-exclusive (9 operators)</li> </ul>
SNA	<i>n.a.</i>	\$2.25	<ul style="list-style-type: none"> <li>• Exclusive (1 operator)</li> </ul>
BUR	<i>n.a.</i>	<i>n.a.</i>	<ul style="list-style-type: none"> <li>• Semi-exclusive (3 operators), with City of Burbank limiting airport medallions</li> <li>• Privilege fee of \$500 per year</li> </ul>
<b>Other California airports</b>			
SFO	<i>n.a.</i>	\$5.00	<ul style="list-style-type: none"> <li>• Open access (open to all 24 taxicab companies licensed by the San Francisco Municipal Transportation Agency)</li> <li>• Uses app to administer short-trip procedures</li> </ul>
SAN	<i>n.a.</i>	\$2.90/ \$6.76	<ul style="list-style-type: none"> <li>• Exclusive (airport permits capped at 450, with operating authority restricted to 2 days every 5 days (or a maximum of 180 per day))</li> <li>• Per-pick-up fee is \$2.90 (alternative fuel vehicle 25% incentive versus cost-recovery “base rate” of \$3.86) or \$6.76 (non-alternative fuel vehicle 75% premium)</li> <li>• Restricted to vehicles 10 years old or newer</li> </ul>
OAK	\$300.00	\$3.00	<ul style="list-style-type: none"> <li>• Semi-exclusive (2 operators)</li> <li>• \$300.00 one-time application fee</li> <li>• Vehicles can be exempt from monthly permit fee (“Green Fee”) if less than 7 years old and are alternative fuel vehicles</li> </ul>
SJC	<i>n.a.</i>	\$1.80/ \$2.30	<ul style="list-style-type: none"> <li>• Semi-exclusive (number of airport medallions limited with waiting list)</li> <li>• \$200.00 application fee</li> <li>• Per-pick-up fee is \$1.80 for clean-fuel vehicles and \$2.30 for all others; clean-fuel vehicle must meet CA emissions standard of SULEV or better</li> </ul>
SMF	<i>n.a.</i>	\$1.25	<ul style="list-style-type: none"> <li>• Exclusive (1 operator)</li> <li>• Per-trip roadway access fees charged by number of passengers (1-5 passengers: \$1.25)</li> <li>• Uniform vehicle markings (all white with same logo)</li> </ul>
PSP	<i>n.a.</i>	\$2.50	<ul style="list-style-type: none"> <li>• Semi-exclusive (3 operators)</li> <li>• PSP Passenger Bill of Rights applies</li> </ul>



Attachment 3  
**Limousine and Luxury Vehicle Benchmarks**

Airport	Annual permit/ admin fee	Per-trip fee	Distinct practices
<b>LGB</b>	<b>\$50</b>	<b>n.a.</b>	
<b>Other Los Angeles Basin airports</b>			
LAX	\$150.00	\$5.00/ \$8.00	<ul style="list-style-type: none"> <li>Per-trip fee is \$5.00 for Class 1 (capacity of 25 passengers or fewer) and \$8.00 for Class 2 (capacity of more than 25 passengers) vehicles</li> </ul>
SNA	n.a.	\$2.25	<ul style="list-style-type: none"> <li>Required deposit equal to the greater of \$33.75 or 3 months of fees</li> </ul>
BUR	\$500.00	See right	<ul style="list-style-type: none"> <li>Operators billed monthly in amount of 2011 payments (combination of per-trip and dwell-time fees) following transponder system shutoff (effective MAG)</li> </ul>
<b>Other California airports</b>			
SFO	\$55.00	\$3.00	<ul style="list-style-type: none"> <li>\$1,000 surety/performance bond requirement</li> <li>\$50.00 temporary identification permit fee</li> <li>\$75.00 permit reinstatement fee</li> <li>\$15.00 (within 20 miles of SFO) and \$30.00 (more than 20 miles from SFO) per vehicle offsite inspection fee</li> </ul>
SAN	\$180.00	n.a.	<ul style="list-style-type: none"> <li>Restricted to vehicles 10 years old or newer</li> </ul>
OAK	\$500.00	\$3.00	<ul style="list-style-type: none"> <li>\$500.00 application fee (except for flat fee program operators (operators with 3 or fewer vehicles with no more than 120 trips per year), for which fee is \$360.00)</li> <li>\$500.00 security deposit</li> <li>\$50.00 per vehicle for operators with over 5 vehicles in fleet</li> </ul>
SJC	n.a.	\$1.80/ \$2.30	<ul style="list-style-type: none"> <li>Same as taxicabs</li> </ul>
SMF	n.a.	See right	<ul style="list-style-type: none"> <li>\$30 inspection fee</li> <li>Per-trip fees: \$1.25 (1-5 passengers), \$1.75 (6-11 passengers), \$2.50 (12-24 passengers), \$6.00 (25 or more passengers)</li> </ul>
PSP	See right	See right	<ul style="list-style-type: none"> <li>Permit fees: \$279.00 per year per company plus \$112.00 per year per vehicle plus \$23.00 per month per vehicle</li> <li>Per-trip fees: \$3.00 (1-9 passengers), \$5.00 (10-15 passengers), \$18.00 (16-30 passengers), \$28.00 (31 or more passengers)</li> </ul>

Attachment 4  
Shared-ride Shuttle Benchmarks

Airport	Annual permit/ admin fee	Per-trip fee	Distinct practices
<b>LGB</b>	<b>See right</b>	<b>n.a.</b>	<ul style="list-style-type: none"> <li>• <b>Reservation (TCP) shuttles: \$500 annual fee</b></li> <li>• <b>Nonreservation (PSC/"free-call"): \$1,000 annual fee</b></li> </ul>
<b>Other Los Angeles Basin airports</b>			
LAX	\$150.00	\$1.81/ \$2.72	<ul style="list-style-type: none"> <li>• Semi-exclusive concession (2 operators)</li> <li>• Per-trip fee is \$1.81 for Class 1 (capacity of 25 passengers or fewer) and \$2.72 for Class 2 (capacity of more than 25 passengers) vehicles</li> <li>• Also pay privilege fees</li> </ul>
SNA	n.a.	\$2.25	<ul style="list-style-type: none"> <li>• Moratorium on new non-reservation shuttle operators (16 existing operators)</li> <li>• Same as limousines and luxury vehicles</li> </ul>
BUR	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
<b>Other California airports</b>			
SFO	\$55.00	\$3.00	<ul style="list-style-type: none"> <li>• Performance bond requirement in amount of 6 months of trip fees</li> <li>• Late permit renewal fee: \$200.00</li> <li>• Other than different bond requirement and fee structure, same as limousines and luxury vehicles</li> </ul>
SAN	n.a.	\$2.30/ \$5.36	<ul style="list-style-type: none"> <li>• Per-trip fee is \$2.30 (alternative fuel vehicle 25% incentive versus cost-recovery base fee of \$3.06); or \$5.36 (non-alternative fuel vehicle 75% premium)</li> <li>• Other than different fee structure, same as limousines and luxury vehicles</li> </ul>
OAK	See right	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
SJC	n.a.	\$1.80/ \$2.30	<ul style="list-style-type: none"> <li>• Same as taxicabs</li> </ul>
SMF	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
PSP	See right	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>

Attachment 5  
**Courtesy Shuttle Benchmarks**

Airport	Annual permit/ admin fee	Per-trip fee	Distinct practices
<b>LGB</b>	<b>n.a.</b>	<b>n.a.</b>	
<b>Other Los Angeles Basin airports</b>			
LAX	\$150.00	\$2.57/ \$3.85/ \$1.50	<ul style="list-style-type: none"> <li>• <i>Hotel courtesy and off-airport parking shuttles:</i> Per-trip fee is \$2.57 (vehicles with capacity of 25 passengers or fewer) or \$3.85 (vehicles with capacity of more than 25 passengers) vehicles</li> <li>• <i>Consolidated hotel shuttles:</i> Per-trip fee is \$1.50 regardless of vehicle size if approved by LAWA</li> </ul>
SNA	n.a.	\$2.25	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
BUR	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
<b>Other California airports</b>			
SFO	\$55.00	See right	<ul style="list-style-type: none"> <li>• <i>Hotel courtesy shuttles:</i> Per-trip fee is \$10.80 for operators not implementing Clean Air Vehicle Policy (CNG fueling, less than 5 years old, less than 500,000 miles); otherwise \$3.05</li> <li>• <i>Off-airport parking shuttles:</i> Per-trip fee is \$10.80 for operators not implementing Clean Air Vehicle Policy (CNG fueling, less than 5 years old, less than 500,000 miles); otherwise \$3.60; performance bond requirement in amount of 6 months of trip fees</li> <li>• <i>Off-airport rental-car shuttles:</i> Per-trip fee is \$3.35 for all vehicles; performance bond requirement in amount of 6 months of trip fees</li> <li>• Other than described above, same ancillary fees and bonding requirements as limousines and luxury vehicles apply</li> </ul>
SAN	See right	See right	<ul style="list-style-type: none"> <li>• <i>Hotel courtesy shuttles:</i> Annual permit fee is \$3,357.00 (alternative fuel vehicle 10% incentive versus cost-recovery base fee of \$4,476.00) or \$7,834.00 (non-alternative fuel vehicle 75% premium) (50% reduction in fees if 2 or 3 hotels share service; 75% if 4 or 5 hotels share service; and all fees waived if 6 hotels share service)</li> <li>• <i>Off-airport rental car shuttles:</i> Annual permit fee is \$150.00 (alternative fuel vehicle 10% incentive versus cost-recovery base fee of \$200.00) or \$350.00 (non-alternative fuel vehicle 75% premium) (companies also pay privilege fees)</li> <li>• <i>Off-airport parking shuttles:</i> Per-trip fee is \$1.40 (alternative fuel vehicle 25% incentive versus cost-recovery base fee of \$1.87) or \$3.28 (non-alternative fuel vehicle 75% premium)</li> <li>• Restricted to vehicles 10 years old or newer</li> </ul>
OAK	See right	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>

Airport	Annual permit/ admin fee	Per-trip fee	Distinct practices
SJC	n.a.	\$1.80/ \$2.30	<ul style="list-style-type: none"> <li>• Same as taxicabs</li> </ul>
SMF	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
PSP	See right	See right	<ul style="list-style-type: none"> <li>• <i>Hotels with more than 40 rooms:</i> \$229.00 per year per hotel plus \$112.00 per year per vehicle with 1-4 seats plus \$56.00 per year per vehicle with 5 or more seats</li> <li>• <i>Hotels with more than 40 rooms:</i> \$89.00 per year per hotel plus \$112.00 per year per vehicle with 1-4 seats plus \$56.00 per year per vehicle with 5 or more seats</li> <li>• Otherwise, annual permit fees are same as limousines and luxury vehicles</li> <li>• Per-trip fees same as limousines and luxury vehicles for all shuttles</li> </ul>

Attachment 6  
Charter Bus and Van Benchmarks

<b>CHARTER BUS AND VAN BENCHMARKS</b>			
Airport	Annual permit/ admin fee	Per-trip fee	Distinct practices
<b>LGB</b>	<b>n.a.</b>	<b>n.a.</b>	
<b>Other Los Angeles Basin airports</b>			
LAX	\$150.00	See right	<ul style="list-style-type: none"> <li>• Frequent operators: Same as limousines and luxury vehicles</li> <li>• Infrequent operators: \$25.00/trip</li> </ul>
SNA	n.a.	\$2.25	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
BUR	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
<b>Other California airports</b>			
SFO	\$55.00	See right	<ul style="list-style-type: none"> <li>• Frequent operators: Same as taxicabs</li> <li>• Infrequent operators: \$25.00/24 hours</li> </ul>
SAN	See right	n.a.	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
OAK	See right	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
SJC	n.a.	See right	<ul style="list-style-type: none"> <li>• Frequent operators: Same as taxicabs</li> <li>• Infrequent operators: \$15.00/24 hours</li> </ul>
SMF	n.a.	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles</li> </ul>
PSP	See right	See right	<ul style="list-style-type: none"> <li>• Same as limousines and luxury vehicles, except for vehicles with more than 31 passengers and no permit on file, for which the charge is \$33.00 per trip with no annual permit fees</li> </ul>

Attachment 7  
**February 1, 2017 Public Meeting Presentation**

# *Community Meeting*

# **LGB Ground Transportation Study**



**FRASCA & ASSOCIATES, LLC**

**FEBRUARY 1, 2017**





## DISCUSSION OVERVIEW

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- **LGB management goals**
- **Study background and methodology**
- **LGB passenger survey results**
- **Regulatory environment**
- **Best practice and benchmarking study findings and recommendations**
- **Next steps**
- **Public comment and discussion**



## LGB MANAGEMENT GOALS

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- **Ensure a “level playing field” with fair and equitable fees and regulations for all airport commercial ground transportation (GT) service providers**
  
- **Provide expanded ground transportation options to LGB passengers by accommodating transportation network companies (TNCs) such as Uber, Lyft, Wingz and See Jane Go**
  
- **Implement a fee structure that remains competitive with other airports, in particular those serving the Los Angeles Basin**
  
- **Ensure that LGB generates reasonable ground transportation revenues**
  - **Cover costs i.e. administrative, infrastructure and operating**
  - **Prevent erosion of other airport operations**
    - **Parking generates ~\$8 million annually and covers \$50 million in airport parking bonds**



## STUDY BACKGROUND AND METHODOLOGY

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- **LGB retained Frasca & Associates, LLC (F&A) to review its ground transportation fee structure, policies, procedures, and practices**
  - Leading airport financial advisor and consulting firm serving more than 40 U.S. airports with extensive expertise in airport financial management and rate-making
  
- **F&A utilized a combined industry best practice-benchmarking approach for the study, with benchmark airports including:**
  - *Other LA Basin airports:* Los Angeles International Airport (LAX), John Wayne Airport (Orange County) (SNA), and Burbank Bob Hope Airport (BUR)
  - *Other California airports:* San Diego International Airport (SAN), Palm Springs International Airport (PSP), San Francisco International Airport (SFO), Oakland International Airport (OAK), Mineta San Jose International Airport (SJC), and Sacramento International Airport (SMF)
  - Ontario International Airport (ONT) was not included as it is in the process of reviewing its GT fee structure following the transfer of ownership from Los Angeles World Airports/City of Los Angeles to the Ontario International Airport Authority/City of Ontario



## STUDY BACKGROUND AND METHODOLOGY

- For industry best practices, the 2015 Airport Cooperative Research Program (ACRP) report *Commercial Ground Transportation at Airports: Best Practices* was consulted
  - ACRP a program of the Transportation Research Board, a member of the National Academies of Sciences, Engineering, and Medicine, sponsored by the Federal Aviation Administration (FAA)
  - Report is available for free download at [www.trb.org/acrp](http://www.trb.org/acrp)





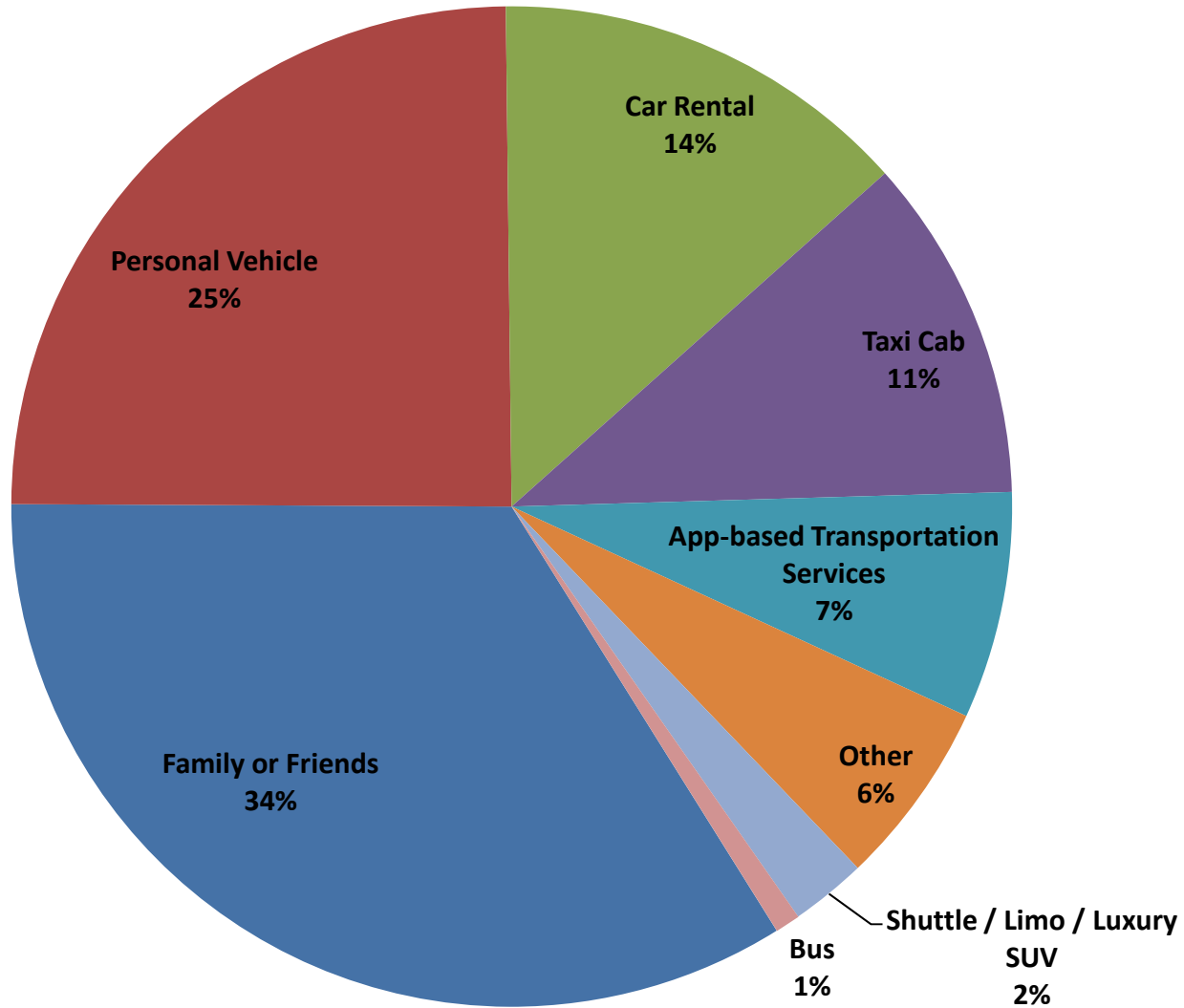
## LGB PASSENGER SURVEY

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- **During January 2017, LGB completed a random survey of arriving and departing passengers**
- **The primary purpose was to survey transportation methods used by LGB customers and gauge interest in TNCs**
- **The survey asked questions regarding purpose of trip, ground transportation modal choice, and distance to/from LGB**
- **Responses were collected from passengers**



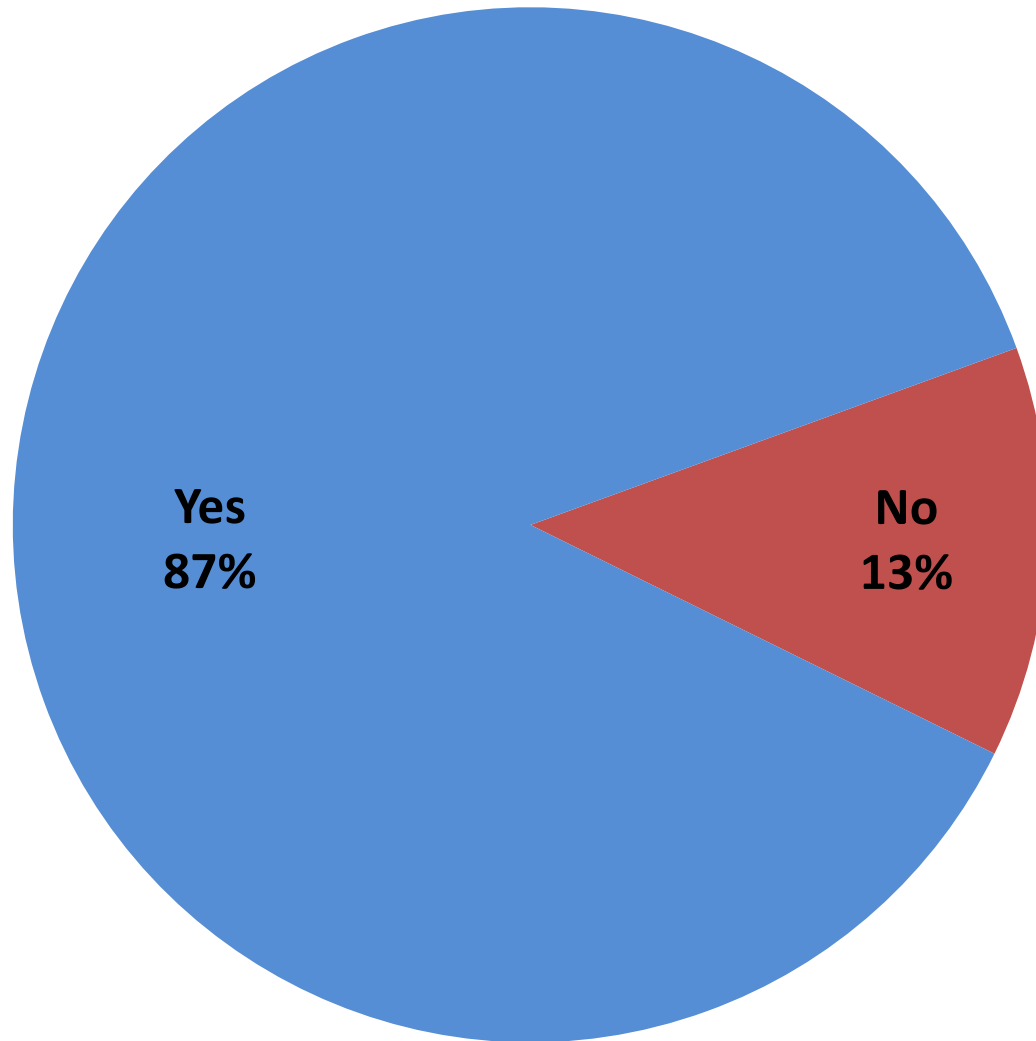
# “WHAT TRANSPORTATION MODE DID YOU USE?”



Note: Sample size is 386 responses.

# “IF TNCs WERE AVAILABLE, WOULD YOU USE THEM?”

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Note: Includes individuals responding to the question only. Results based on 358 who responded to the question, out of 386 total surveyed.





# REGULATORY ENVIRONMENT



## Federal

- Regulate airport operators receiving federal grants
- Requirement for airports to **set fair and reasonable rate structures to be self-sustaining**
- **Discourages cross-subsidies** of direct airport cost centers and activities



## State of California

- Public Utilities Commission (PUC) regulates 3 classes of carriers operating at LGB: PSCs, TCPs, and TNCs
- Sets **minimum insurance, safety, and other requirements**



## City of Long Beach

- Requires airport GT operators to obtain permit
- Allows **Director to set rules and regulations**
- Requires **City Council approval** of fees



# LONG BEACH MUNICIPAL CODE SECTION 16.44

## Requirement for Permits

- **16.44.040:** Requires that any business or individual who wishes to conduct commercial operations at LGB to obtain a written permit
- **16.44.041:** Specifically requires permits for commercial GT operators, including “van, limousine, bus, and other ground transportation operators”

## Contents of Permit

- **16.44.100:** Specifies the required contents of any permit, including a statement of rights, effective dates, fee amount, and payment provisions

## Rate-making ability

- **16.44.090:** Requires that airport fees be set by resolution of City Council
- In practice, City Council reviews airport fees twice annually, typically in April and September; fee reviews for 2017 are scheduled to occur on April 4 and September 12

## Rules and regulations

- **16.44.130:** Requires the Director to establish reasonable “rules and regulations relating to all activities on the Airport”
- **16.44.041:** Requires GT operators to park in only those spaces designated as such by the Director



# GENERAL STUDY FINDINGS

## Availability of TNC service

- As of January 17, 2017 all benchmark airports except PSP allowed TNC service and charged operators a fee, typically per-drop-off and per-pick-up
- While ONT (not a benchmark airport for purposes of this study) does not currently allow TNC pick-up operations, it has announced its intention to begin service by April 2017

## Fee structures

- Airport operators employ a variety of different fee structures, with most using a hybrid fixed (annual permit or administration fee)-variable (per-trip fee)
- Some airports charge other fees such as one-time application fees, transponder and other equipment fees, and curbside dwell-time fees

## GTM technology

- All benchmark airports except for BUR employ transponder-based ground transportation management (GTM) technology
- BUR is evaluating the reimplementing of GTM in 2017

## Operations

- Commercial vehicle hold lots are necessary when long queues and vehicle dwell times cause curbside congestion



# LGB-SPECIFIC STUDY FINDINGS

## Availability of TNC service

- The fee structure proposed for the TNC pilot program is consistent and competitive with benchmark airports

## Fee structure

- LGB's fixed-only permit fee structure is an outlier when compared with benchmark airports and produce revenues that likely do not cover the cost of administration and operations

## GTM technology

- LGB's very limited use of technology limits business flexibility, makes enforcement difficult, and does not provide the data necessary to better manage roadway and curbside facilities

## Operations

- Regular curbside congestion is not currently an issue at LGB, but may become an issue if TNC continues to increase significantly



## INDUSTRY BEST PRACTICE: HYBRID FEE STRUCTURES

- **Hybrid fixed-variable fee structures are recognized in the industry to be fair and equitable as they connect costs with fees being charged**
  - *Variable per-trip fees* are typically set to recover the cost of operating, maintaining, and enforcing the curbside, including the costs of the GTM system
  - *Fixed permit fees* are typically set to recover the costs of processing and administering permits (i.e., “the cost of doing business”)
  - By charging variable per-trip fees in addition to annual permit fees, frequent operators pay fees proportionate to their degree of use and revenue-earning potential





## INDUSTRY BEST PRACTICE: GTM SYSTEMS

- **A hybrid fee structure works best with the implementation of GTM technology for ease of administration**
  - Without a GTM system, fee payment would rely solely on self-reporting,
  - Can also easily be used for enforcement, protecting GT operators' economic interests
  
- **The most common GTM systems use transponders, much like automated toll collection systems**
  - Drivers pass under readers or through gates with readers to access curbside
  - Payment is typically automatic, drawn down from balances until minimum is reached and "refilled"
  - TNCs are not equipped with transponders, as monitoring is GPS-based within geo-fence and all reporting and fee collection is done by the TNC





# BENCHMARKING AIRPORT TNC FEES AND OPERATIONS

Airport	Per-trip fee	Staging lot?	Other
LGB	\$3.00 prop	No	
LAX	\$4.00	Yes	<ul style="list-style-type: none"><li>• Drivers must take app-based training and quiz</li></ul>
SNA	\$2.25	No	<ul style="list-style-type: none"><li>• Designated waiting zone bordered by streets</li></ul>
BUR	\$3.00	No	<ul style="list-style-type: none"><li>• No designated waiting zone or hold lot</li><li>• Drivers must park in parking garage and pay additional \$3.00 for pick-up</li></ul>
SFO	\$3.80	Yes	
SAN	\$4.06	Yes	<ul style="list-style-type: none"><li>• Restricted to vehicles 10 years old or newer</li><li>• Pick-ups must be made from parking lot (first 10 mins free)</li></ul>
OAK	\$3.85	No	<ul style="list-style-type: none"><li>• Designated waiting zone bordered by streets</li></ul>
SJC	\$2.80	Yes	
SMF	\$1.35	Yes	
PSP	n.a.	n.a.	<ul style="list-style-type: none"><li>• Only drop-offs allowed</li></ul>

Note: LGB fee is proposed. All airports with staging lots have a 30-minute maximum waiting time.





## BENCHMARKING OTHER FEES AND OPERATIONS

Airport	Uses GTM?	Taxicabs	Limousines and scheduled vans	Nonscheduled vans
<b>LGB</b>	No	Fixed only	Fixed only	Fixed only
<b>LAX</b>	Yes	Hybrid	Hybrid	Hybrid
<b>SNA</b>	Yes	Variable only	Variable only	Variable only
<b>BUR</b>	No*	Fixed only	Hybrid*	Hybrid*
<b>SFO</b>	Yes	Variable only	Hybrid	Hybrid
<b>SAN</b>	Yes	Variable only	Fixed only	Variable only
<b>OAK</b>	Yes	Hybrid	Hybrid	Hybrid
<b>SJC</b>	Yes	Hybrid	Hybrid	Hybrid
<b>SMF</b>	Yes	Variable only	Variable only	Variable only
<b>PSP</b>	Yes	Variable only	Hybrid	Hybrid

Note: Airports labeled as hybrid charge some combination of fixed (permit or application fee) and variable (per-trip) fees. BUR used a transponder-based GTM system until the system became obsolete in 2011 and charges on the basis of fees paid that year (effectively a minimum annual guarantee on hybrid fees paid in 2011). BUR is evaluating whether to re-implement a GTM system in 2017.



# STUDY RECOMMENDATIONS

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## TNC Pilot Program

- Implement TNC Pilot Program on April 1, 2017, with a per trip fee of \$3.00
- Use Pilot Program period to evaluate usage, any operational issues, and need for hold lot

## Fee structure

- Permit Fees will be adjusted to industry standards beginning April 2017
- Implement industry best-practice hybrid fixed-variable fee structure to treat all users equitably beginning October 1, 2017

## GTM technology

- Evaluate GTM systems to identify a cost-effective solution for implementation in 2018
- Explore possibility of sharing GTM transponders with other LA Basin airports to reduce driver cost

## Operations

- Review permit application process for streamlining opportunities using technology



## PROPOSED NEXT STEPS

Date	Milestone
<b>TODAY</b>	Community meeting and discussion
<b>February 10, 2017</b>	Public comment period ends
<b>March 2017</b>	Study finalized to incorporate public comments and published on website
<b>April 1, 2017</b>	TNC Pilot Program period begins <ul style="list-style-type: none"><li>• <i>\$3 per-trip fees to be charged</i></li><li>• <i>LGB to update fixed permitting fees</i></li></ul>
<b>April – October 2017</b>	Pilot Program will assess: <ul style="list-style-type: none"><li>• Infrastructure needs: Pick-up zones, holding areas, road improvements</li><li>• Airport revenue impacts</li><li>• Enforcement</li></ul>
<b>October 1, 2017</b>	New fee structure to be implemented as approved by City Council <ul style="list-style-type: none"><li>• Per-trip fees for all GT providers</li><li>• Initiate self-reporting system</li></ul>
<b>April 1, 2018</b>	Target date for implementation of GTM system





## PUBLIC COMMENT AND DISCUSSION

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- **Public comment period open through February 10, 2017**
- **Please submit comments by sending an email to [LGBarpt@longbeach.gov](mailto:LGBarpt@longbeach.gov)**

Attachment 8  
**E-mails Received During Public Comment Period**

**Public Comment 1 of 3**

(From City of Long Beach Resident and LGB Traveler, Name and Contact Information Redacted for Privacy)

Sent: Friday, February 03, 2017 9:01 AM

To: Long Beach Airport

Subject: Rideshare

To whom it may concern:

My wife and I are 62 years old. We discovered Uber and Lyft several years ago and have used their services around the world. Living in Bixby Knolls for 33 years, hailing a taxi cab has always been difficult. Uncertain availability. Uncertain ETA. Unfriendly drivers. We'd arrive at LGB after a long trip and the taxi cab stand would be a joke. It's not so much the price as it is the communication and convenience Uber and Lyft bring us. We tried the "Curb" app Yellow Cab advertised. No, they still don't understand what consumers want and their drivers are still rude. Furthermore, it is irresponsible for the City and Airport Commission to allow a monopoly.

**Public Comment 2 of 3**

(From LGB Business Traveler, Name and Contact Information Redacted for Privacy)

**Sent:** Monday, February 06, 2017 9:18 AM

**To:** Long Beach Airport

**Subject:** Comment - Allowance of Alternative Ride-Sharing Options at LGB

**Importance:** High

Hello – I wanted to take a moment to comment on the impending decision to allow alternative ride-sharing options to become available at LGB.

I wanted to let you all know how pleased I am to hear that this has been considered, as I frequently fly out of this airport for business and find it much more simple to request an Uber/Lyft/etc. Recently, I had a terrible experience with the Long Beach Yellow Cab company, which further cemented my commitment to boycotting the use of these cabs. On November 19<sup>th</sup>, 2016, I arrived at LGB from a layover in Salt Lake City and needed a ride home at around 9-10pm at night. Of course, Uber wasn't available at the time for me to use, so, reluctantly, I walked over to the section where all of the Yellow Cab drivers were – seeing all of these guys just standing there like a pack of wolves was daunting enough. I walked over to the only person that was willing to stop talking to his cabbie friends and put down his cigarette to drive me home. Right away, this person never helped me with my luggage, so I was left to do all of the heavy lifting while he sat and waited in the car. The drive home itself was terrifying – not only was this cab driver speeding, he also had the windows all the way down, allowing all of the cold air to come in. He almost missed one of the streets that he was supposed to turn on, so I had to repeat myself and give him direction. I'm not sure if this person was under the influence of something, but he certainly did not seem to be normal.

I already contacted the Yellow Cab company to complain about this incident, but who is to say this won't happen again if the only option we have is LB Yellow Cab??? I've never had this happen to me while using Uber/Lyft. Let's take a moment to be honest here. If the Yellow Cab company would hire better, more competent drivers and not completely jack up the prices, this would not be an issue. Long Beach consumers don't care if these guys are getting put out of business – they're not meeting our needs and their drivers are, for the most part, disgusting! No one (women especially) likes to get off of a long flight only to see a group of men standing around in the dark smoking while waiting for someone to hitch a ride.

Thank you for allowing the public to offer comments on this issue.



**Public Comment 3 of 3**  
(From See Jane Go, Inc., a TNC Proposing to Serve LGB)

**From:** Sandra Sellani [<mailto:sandra@seejanego.co>]

**Sent:** Tuesday, February 07, 2017 5:02 PM

**To:** Long Beach Airport

**Cc:** Sandra Sellani

**Subject:** Comments on TNC Availability at LGB

See Jane Go, the only operating “women driving women” ride hail service in the U.S., is proud to serve the residents of Long Beach, California and fully supports the addition of TNCs at the Long Beach Airport (LGB).

The proliferation of TNCs in recent years demonstrates that consumer needs are no longer sufficiently being met by traditional transportation services. TNCs do not represent merely a convenient option, but a reasonable expectation, for airport visitors, as these services are now widely available at most major airports nationwide.

The current system in place at LGB, which requires passengers to walk across Lakewood Blvd. with luggage to access TNC services, creates both inconvenience and risk to passengers and drivers and anyone visiting LGB. The LGB Ground Transportation Study conducted by Frasca & Associates (February 1, 2017) cited that 87% of people arriving and departing LGB would choose TNC service if they were readily available, yet only 7% are currently using them because of limited access.

While concerns have been expressed that TNCs should meet the same regulatory standards as limousine and taxi companies, it is important to note that TNCs fall under the construct of the “shared” or gig economy, utilizing a unique business model from that of traditional transportation companies. Participants in this model abide by different regulatory requirements, just as homeowners who participate in the Airbnb business model have requirements different from those governing the hospitality industry. TNCs currently operate in compliance with regulations that have been thoroughly outlined and vetted by the state of California.

In addition to providing a convenient and affordable means of transportation to passengers, TNCs also provide work for a significant number of area residents, enabling them to be independent contractors with job flexibility. This flexibility benefits those who need more than one job to support themselves, have children or elderly family members under their care, those who cannot afford to retire because of financial needs, and students, among others. Specifically, See Jane Go provides another option for women, both drivers and passengers, many of whom feel safer and more comfortable travelling in a car with another woman.

See Jane Go, Inc. supports this measure and looks forward to continued service in the city of Long Beach.

Attachment 9

**“Safety with Uber” Documentation Provided by Uber Technologies**

## Safety with Uber

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Uber is a smartphone app that gets people from A to B at the push of a button. New technology has enabled Uber to build safety into our service from beginning to end: before a passenger even gets into the car, throughout the journey and after they have reached their destination.

### 24/7 door-to-door service, available 365-days a year

- With Uber, there's no need for people to walk around late at night to find a parked car, search for a taxi or the nearest bus stop. The car comes directly to passengers within minutes, wherever they are in the city.
- Uber helps to reduce drunk driving by providing a reliable, affordable way to get home at night when public transport may be limited. In California, drunk driving related deaths have [fallen by 5%](#) since Uber started.

### Know your driver and their car

- When passengers request a ride with Uber, they see their driver's name, photo and average rating, as well as the licence plate number and make of the vehicle.
- As a result passengers are able to clearly identify the right car before getting in.
- Drivers who use the Uber app undergo a thorough screening process to ensure they are fit to drive passengers around the city.

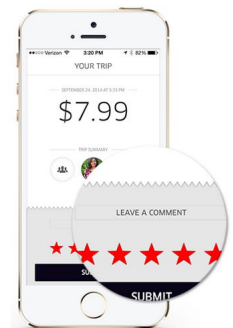


### You're on the map the entire journey

- All Uber rides are GPS-tracked from start to finish. Drivers and passengers know that there is a record of the journey should something happen. This creates accountability, which is lacking in many other forms of transportation, such as the bus, metro or a traditional taxi.
- Passengers can see their route, and the location of their car, in the app throughout the journey. This means they can see that their driver is headed the right way.
- Passengers can share the details of each individual trip in real time, including their route and estimated arrival time, with family or friends.

### Two-way accountability

- Passengers and drivers rate each other after every ride. They can also easily provide feedback via our app. Our safety team reviews this information and suspends rider/driver accounts when anything dangerous or inappropriate is reported. Unsafe drivers or riders are removed permanently from the platform.
- If something happens during a ride, whether it's a traffic accident or a lost purse in a car, our customer support team is ready to help 24/7.
- Uber has the records—route taken, length of journey, driver and rider information—which it can share with law enforcement if necessary. A law enforcement response team is also on call to work with police 24/7.
- We believe that technology can help ensure safety in new ways, including on the road. While a driver is online, we use GPS, accelerometer and gyroscope information from the smartphone to help improve driving behavior. For example, we can inform drivers about indicators of harsh braking, hard acceleration, and speeding as well as send them reminders about the importance of mounting their phone to the dashboard.



## **Driver screenings**

Before a person is allowed to drive with Uber in the United States, we complete a screening process that requires an applicant's full name, date of birth, social security number, driver's license number, a copy of his or her driver's license, vehicle registration, vehicle insurance, and a valid bank account.

To run the screenings, we work with [Checkr](#), a third party background check provider accredited by the [National Association of Professional Background Screeners](#). Checkr runs a social security trace to identify addresses associated with the potential driver, and then checks the potential driver's driving and criminal history in a series of national, state and local databases. These include the US Department of Justice National Sex Offender Public Website, the PACER database, and several databases used to flag suspected terrorists.

Upon identifying a potential criminal record, Checkr sends an individual to review the record in-person at the relevant courthouse or, if possible, pulls the record electronically. These screenings use information that is maintained by national, state and county level authorities, whose processes may vary by jurisdiction. By verifying potential criminal records at the source—the courthouse records— we can help ensure that we are checking the most up-to-date records available.

The purpose of these screenings is to identify offenses and other information that may disqualify potential drivers from using Uber. Our disqualification criteria may vary by jurisdiction according to local laws, and includes major and minor driving violations such as DUI and speeding, as well as convictions for violent, sexual, and driving-related crimes.