



November 7, 2012

The Honorable Herb Wesson
President, Los Angeles City Council
200 N Spring Street, Room 430
Los Angeles, CA 90012

RE: Proposed Exclusive Waste Franchise (Council File 10-1797)

Dear Council President Wesson,

The Downtown Center Business Improvement District (DCBID) represents 2,200 parcels in the heart of Downtown Los Angeles. On behalf of our commercial and residential property owners and stakeholders, I am writing to voice our serious concerns about the city's proposal to create an exclusive franchise for multifamily and commercial waste hauling services in Los Angeles.

As a non-profit organization serving Downtown Los Angeles, we rely on access to a competitive market that allows us to select the hauler that best serves our needs, offers the best rates and will work with us. Unfortunately, if the city pursues this misguided policy, we will no longer have a choice in selecting our hauler, our rates will go up, we will have to divert our scarce resources to increased fees, and our organization will suffer.

Moving to an exclusive franchise will put Los Angeles-area businesses at a significant competitive disadvantage to businesses in other cities. Commercial and multifamily property owners are looking at more than 33 percent higher rates under an exclusive franchise. That means a higher cost of doing business and increases in rent.

Currently, there are about 140 waste haulers doing business in Los Angeles. These companies have helped create good paying jobs and provide vitally needed services to local businesses, and have been a part of our community for many years. Under an exclusive franchise, the majority of these companies would be forced to close their doors and eliminate many vitally needed jobs.

Fortunately, there is a better policy—a non-exclusive franchise. A non-exclusive franchise allows the city to accomplish all of its goals—clean fleet standards, more recycling, workplace safety—without killing local jobs and hurting our economy. A non-exclusive franchise is a win-win for the city, our environment and our economy—that's why Los Angeles County adopted a non-exclusive agreement.

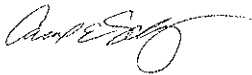
Under a non-exclusive franchise, the city could begin collecting franchise fees as early as 2013. Because an exclusive franchise requires a five-year delay before the collection of franchise fees can begin, a non-exclusive franchise means nearly \$120 million in revenue for the city that would go completely unrealized under an exclusive franchise.

The City Council needs to act responsibly and take the time to study alternatives, instead of going down this costly exclusive franchise road. **We ask the Council to direct staff to conduct a full economic and environmental study on the impacts of this plan before taking any action.** City leaders need to know how much an exclusive franchise system will cost Angelenos and local businesses before it saddles them with this additional burden.

Continuing to act without information is only going to kill jobs, cost residents and businesses and complicate trash collection citywide. We urge the city to take the time, do the study and learn about alternatives before it adopts this ill-fated and harmful exclusive franchise policy.

Thank you for your consideration.

Sincerely,



President & CEO

cc: Mayor Antonio Villaraigosa
Councilmember Jose Huizar