



Carolina Peters <carolina.peters@lacity.org>

Fwd: Comment letter, CF 17-1125, dockless regulations

1 message

Staci Roberts <staci.roberts@lacity.org>
To: Carolina Peters <carolina.peters@lacity.org>

Mon, Jul 2, 2018 at 8:37 AM

----- Forwarded message -----
From: **John White** <john.white@lacity.org>
Date: Mon, Jul 2, 2018 at 8:07 AM
Subject: Fwd: Comment letter, CF 17-1125, dockless regulations
To: Staci Roberts <staci.roberts@lacity.org>

Please attach the accompanying letter to CF 17-1125 as a communication from the public.

----- Forwarded message -----
From: **Shane Phillips** <sphillips@ccala.org>
Date: Tue, Jun 26, 2018 at 3:46 PM
Subject: Comment letter, CF 17-1125, dockless regulations
To: "john.white@lacity.org" <john.white@lacity.org>
Cc: Marie Rumsey <mrumsey@ccala.org>

Hi John,

Please upload CCA's letter on dockless bike and scooter regulations (attached) to Council File 17-1125 and distribute to the Transportation Committee members.

Thanks so much, and please confirm receipt if possible!

**CCA**CENTRAL CITY
ASSOCIATION
OF LOS ANGELES**Shane Phillips**
Director of Public Policy626 Wilshire Blvd., Suite 850 | Los Angeles, CA 90017
office: (213) 416-7535 | fax: (213) 624-0858sphillips@ccala.org
ccala.org



June 26, 2018

Councilmember Mike Bonin
Chair, Transportation Committee
200 N. Spring Street
Los Angeles, CA 90012

Re: Council File 17-1125, "Dockless Bike Share Systems/Pilot Program"

Dear Councilmember Bonin,

Through advocacy, influence and engagement Central City Association (CCA) is committed to supporting Downtown's vibrancy and increasing investment in the region. As the voice for Downtown and the region's center for growth, we support projects and initiatives that promote mobility and sustainability.

CCA was happy to see several positive changes to LADOT's proposed dockless bicycle and scooter regulations, first heard at your committee last month. Removal of the geo-fence barrier around Downtown and increased fleet sizes were especially appreciated and we thank the City for including Downtown in this important pilot. These changes represent a big step toward a more accessible mobility ecosystem, with Downtown LA at its heart.

Alongside these improvements, we believe there are still opportunities for improvement to the revised dockless regulations before they're finalized. We've included our recommendations below. (See final page for summary of recommendations.)

Fleet Size

Allowable fleet sizes have been increased from 500 to 2,500 per operator, but we believe they are still too low for a city the size of Los Angeles.

Several weeks ago Santa Monica's City Council considered their own dockless regulations and rejected a cap of 500 vehicles per operator, arguing that such a cap undermined the city's goals of being a leader on sustainable mobility. LA is over 50 times the physical size of Santa Monica with a population 40 times greater. Though they started with a higher population-adjusted fleet cap proposal than LA's current proposal of 2,500 vehicles, Santa Monica chose not to implement a hard cap on fleet size and instead will rely on a "dynamic cap" based on rides per device per day.

In contrast, the current draft of City of LA guidelines proposes both a hard numeric cap *and* a dynamic cap. **We believe the City should eliminate hard caps on fleet size and adopt only a dynamic cap to ensure that dockless vehicle availability is able to meet demand in real time (REC#1).** Especially given the lessons learned from fleet roll-outs that have occurred in many other cities, and the precedent set in Santa Monica where thousands of dockless vehicles are already in service, we believe this is a smart and justifiable approach.

CCA also believes **the City should consider how rides per day per device may differ for vehicles located in disadvantaged areas (REC#2).** It may be the case that vehicles in disadvantaged communities have



fewer rides per day, but are still useful to residents and are still profitable for providers to operate; however, if these vehicles weigh down the overall fleet's rides per day per device, operators may be discouraged from providing more vehicles in disadvantaged communities. LADOT should be cognizant of this potential issue and consider evaluating vehicles inside and outside of disadvantaged areas according to different benchmarks. The City may also consider evaluating dockless vehicle performance in smaller geographical districts and allowing expansion only in those locations, rather than assessing performance and permitting expansion citywide.

Vehicle Fees

The revised dockless regulations have proposed a new fee structure, changed from the previous recommendation of \$50 per vehicle per year. The new proposal is for a reduced fee of \$39 per vehicle in disadvantaged communities and a dramatically higher fee of \$130 in all other locations. We believe the latter fee is too high to be applied to such a large proportion of dockless vehicles.

The proposal is based on the recent approval of Santa Monica's dockless regulations which also require a payment of \$130 per vehicle per year. Santa Monica is relatively unique from most LA neighborhoods, however, for its combination of large job and tourist concentration, high incomes, and streets and paths that are comparatively bike- and scooter-friendly. Nearly all of Santa Monica scores below the 50th percentile on CalEnviroScreen while many communities in LA that don't meet the "disadvantaged" threshold nonetheless score well above the 50th percentile.

Very few LA neighborhoods can match the natural demand for dockless services in Santa Monica, and so **we recommend a more modest fee increase for vehicles located outside disadvantaged communities (REC#3)**. A fee above \$50 but significantly less than \$100 would better balance the diversity of demand across the City, while still acknowledging the difference between disadvantaged and non-disadvantaged communities.

Low-Income Plan

CCA supports the goals of the low-income customer plan described in the proposed regulations, and we believe more detail is needed in describing the program elements. Specifically, **the City should identify what the costs would be to a low-income customer, what services they would have access to and for what duration, etc. (REC#4)**. Currently the proposal does not include a cost to the user, and it suggests unlimited 30-minute rides; however, dockless bicycles and scooters operate under very different fare structures with bicycles operating on 30-minute plans and scooter customers paying per minute. These gaps in the program details should be worked out as soon as possible to provide certainty and ensure that any low-income customer plan works as intended.

We also recommend providing a credit against annual vehicle fees based on ridership by low-income customer plan riders (REC#5). The low-income customer plan represents a mandate with unknown costs to providers, and a similar program isn't currently offered by the Metro bike share program. Crediting the costs of a low-income customer plan against annual vehicle fees not only helps offset the uncertainty and potentially high costs of this community benefit, it will also encourage operators to enroll more low-income residents into the program.



Council District Sign-Off

Finally, **we do not believe the City should require Councilmember sign-off to operate dockless bicycles and scooters in each individual Council District (REC#6).** People's daily trips do not start and end cleanly within the boundaries of LA's council districts, and their mobility options shouldn't be limited by them either. Such a prohibition would be extremely difficult to enforce and would unnecessarily complicate (or eliminate) sustainable commutes for thousands of residents. Our transportation system should be planned regionally and should serve us all as effectively as possible. While outreach to Council offices and other stakeholders is essential, allowing individual Council Districts to veto dockless vehicle expansion doesn't align with these important principles.

CCA is excited to welcome shared dockless vehicles to Downtown LA and we're very appreciative to LADOT for their thoughtful work developing these regulations. Since the initial draft there has been significant progress and we look forward to final regulations that strike the right balance of improved access, sustainability, safety, and innovation. We hope you will consider these recommendations as the dockless regulations make their way through the Transportation Committee and City Council.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Lall'.

Jessica Lall
President & CEO



Summary of Recommendations

- REC#1: Eliminate the hard cap on fleet size and adopt only a “dynamic cap” based on rides per device per day.
- REC#2: Consider how “rides per device per day” metric may differ in disadvantaged areas versus non-disadvantaged areas.
- REC#3: Reduce fee for vehicles located in non-disadvantaged areas to a more balanced amount.
- REC#4: Clearly define program details and costs for low-income customer plan.
- REC#5: Credit the costs of low-income customer plan against annual vehicle fees.
- REC#6: Eliminate Council District sign-off provision for operator approval.



Carolina Peters <carolina.peters@lacity.org>

Fwd: comments re Council File 17-1125

1 message

Staci Roberts <staci.roberts@lacity.org>
To: Carolina Peters <carolina.peters@lacity.org>

Mon, Jul 2, 2018 at 8:37 AM

----- Forwarded message -----

From: **John White** <john.white@lacity.org>
Date: Mon, Jul 2, 2018 at 8:06 AM
Subject: Fwd: comments re Council File 17-1125
To: Staci Roberts <staci.roberts@lacity.org>

Please attach the accompanying letter to CF 17-1125 as a communication from the public.

----- Forwarded message -----

From: **Recht, Philip R.** <PRecht@mayerbrown.com>
Date: Tue, Jun 26, 2018 at 4:14 PM
Subject: comments re Council File 17-1125
To: John White <john.white@lacity.org>

John—attached are comments concerning item 24 on tomorrow's Transportation Committee agenda. Could you please file and circulate them appropriately. Thanks. Phil.

Philip R. Recht
Mayer Brown LLP
350 S. Grand Avenue, 25th Floor
Los Angeles, CA 90071
Direct: 213 229-9512
Main: 213 229-9500

Mobile: 310 493-9781
Fax: 213 625-0248
PRecht@mayerbrown.com

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June 26, 2018

Hon. Mike Bonin
Transportation Committee
City Hall
200 N. Spring Street
Los Angeles, CA 90012

Re: Council File 17-1125/Dockless On Demand
Personal Mobility Rules and Guidelines

Dear Mr. Bonin:

Our firm represents ofo bikes, the world's largest operator of dockless bike share programs. Ofo continues to appreciate the effort on the part of DOT staff to craft workable and sensible operating rules for dockless personal mobility devices in the City. Ofo offers the following comments concerning DOT's revised draft rules dated June 27, 2018.

1. Fleet size. The revised draft rules propose that, with certain exceptions, operators may increase their initial fleet of 500 vehicles to a maximum of 2500 vehicles. To increase beyond 500, operators must "submit justification as to why it is required." However, the draft rules set forth no specific criteria or factors for operators to cite in submitting such justifications or for DOT to consider in approving those requests.

The rules also appear to allow DOT to operate more than 2500 vehicles if approved by the General Manager of DOT. DOT's cover memo indicates that fleets can be increased to 5000 if companies show at least 3 rides per day per vehicle and otherwise adhere to the City's rules. However, the draft rules themselves do not mention the daily usage requirement and otherwise set no limits on the discretion of DOT in approving such requests. Rather, the rules allow additional vehicles to be permitted "at the discretion of the General Manager and may depend on factors related to performance and compliance."

Ofo has a number of concerns with the proposed fleet size rules. First, ofo continues to believe that any limit on fleet size is inappropriate. ofo and the other vehicle share operators are private companies with no financial or operational motivation to operate more devices than the market demands. Thus, artificial limits on fleet size are not needed to guard against excessive devices in the City. The same is true of any requirement that increases only be allowed based on arbitrary usage rates. Companies can and do decide for themselves what usage rates justify additional devices. Moreover, usage rates will differ based on location, device type, and other factors. Setting a uniform minimum usage rate applicable to all devices in all parts of the City will discriminate against various locations and user populations. Moreover, the suggested usage

Hon. Mike Bonin
June 26, 2018
Page 2

rate of at least 3 rides per day per vehicle is excessively high. As a point of reference, Metro bikeshare devices generate less than 1 ride per day per vehicle.

Second, by failing to specify the factors to be considered in allowing increases beyond each operator's initial 500 devices, the draft rules fail to provide appropriate guidance to both operators and DOT as to how such decisions will be made. The same is true of the language that apparently allows fleet size increases beyond 2500. In this situation too, DOT appears to be afforded unfettered discretion to make fleet increase decisions based on any and all factors it considers appropriate.

Removing the proposed fleet size restrictions and instead allowing the market to determine appropriate device levels obviates these various concerns.

2. Fleet mix. The initially proposed rules required that operators "reserve" a minimum of 50% of their fleet size for electric vehicles. The newly proposed rules maintain the requirement except for companies that reserve at least 1% of their vehicles for adaptive bicycles. While this clearly is an improvement, ofo continues to believe that this too is a matter that the market should decide. At present, it is unknown whether Angelenos will prefer electric vehicles over conventional pedal bikes. If they do not, then why should Angelenos artificially be deprived of devices—i.e., pedal bikes—that are the least expensive, most environmentally clean, and most exercise-promoting of all shared mobility devices?

3. Parking. While the revised rules no longer require all devices to have rigid locking devices, they nonetheless authorize DOT in its sole discretion to require operators to use locking devices in the future. Again, no criteria or standards are set forth for the exercise of this discretion by DOT. Moreover, such authority would seem to be unnecessary in light of the rules' newly added requirement that devices utilize some form of technology that identifies that vehicles are upright and properly parked.

4. Fees. As noted by various operators, the initially proposed fees of \$500/year per operator and \$50/vehicle per year were outside nationwide norms and almost certainly higher than the City's regulatory costs. The alternative fees proposed in the revised rules—i.e., \$20,000/year per company, \$130/vehicle per year in non-disadvantaged communities, and \$39/vehicle per year in disadvantaged communities—are even higher, far in excess of any reasonable regulatory expenses.

Mayer Brown LLP

Hon. Mike Bonin
June 26, 2018
Page 3

Thank you for your consideration of these comments.

Sincerely,



Philip Recht

cc: Hon. Paul Koretz
Hon. Nury Martinez



Carolina Peters <carolina.peters@lacity.org>

Fwd: CF 17-1125 – Dockless On-demand Personal Mobility Services

1 message

Staci Roberts <staci.roberts@lacity.org>
To: Carolina Peters <carolina.peters@lacity.org>

Mon, Jul 2, 2018 at 8:37 AM

Carol,
Please attach to file.
Thanks

----- Forwarded message -----

From: **John White** <john.white@lacity.org>
Date: Mon, Jul 2, 2018 at 8:05 AM
Subject: Fwd: CF 17-1125 – Dockless On-demand Personal Mobility Services
To: Staci Roberts <staci.roberts@lacity.org>

Please attach the accompanying letter to CF 17-1125 as a communication from the public.

----- Forwarded message -----

From: **Amanda Staples** <amanda@investinginplace.org>
Date: Wed, Jun 27, 2018 at 12:03 PM
Subject: Re: CF 17-1125 – Dockless On-demand Personal Mobility Services
To: john.white@lacity.org
Cc: Eric Bruins <eric.bruins@lacity.org>, Arcelia Arce <arcelia.arce@lacity.org>, Jessica Meaney <jessica@investinginplace.org>

Hello,

Please see attached for Investing in Place's comment letter on CF 17-1125.

Thank you.

Amanda Staples (Meza)
Advocacy and Policy Manager, Investing in Place
830 Traction Ave, 3rd Floor
Los Angeles, CA 90013
708-646-4533
amanda@investinginplace.org
www.investinginplace.org

John A. White
Legislative Assistant
Information, Technology, and General Services Committee

June 27, 2018

Councilmember Mike Bonin, Chair
Councilmember Nury Martinez
Councilmember Paul Koretz
Transportation Committee, City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: CF 17-1125 – Dockless On-demand Personal Mobility Services

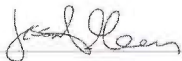
Via City Clerk: john.white@lacity.org

Dear Transportation Committee:

We support the revised guidelines that provide LADOT the ability to add additional vehicles based on performance and compliance. This is especially important as we consider equity goals and increased mobility options for Angeles. Equally important is the data requirements that will allow the City to evaluate and enforce in real time.

Please contact me at jessica@investinginplace.org or 213-210-8136 with any questions or concerns.

Sincerely,



Executive Director