

TRANSPORTATION COMMITTEE REPORT relative to establishing a regulatory framework for Personal Delivery Devices (PDDs) operating in the public right-of-way.

Recommendations for Council action:

1. APPROVE the regulatory framework presented in the Los Angeles Department of Transportation (LADOT) report dated May 25, 2021, which includes new program fees, as amended to:
 - a. Limit operation of the PDDs in the roadway when a sidewalk is present.
 - b. Modify the draft application to require companies to identify proposed neighborhoods to be served and documented engagement with the affected Neighborhood Councils and other local organizations.
 - c. Modify the fleet size to allow up to 100 devices per neighborhood, with each operator allowed to operate in up to three neighborhoods; operators may add up to three additional neighborhoods with an L.A. Equity Index score of 5.5 or less; additional expansions or reductions will be at the discretion of LADOT; and, exempt all PDDs that are active and soon to be active in San Pedro from proposed fleet size caps.
2. DIRECT that the Bureau of Streets Services to report on appropriate compliance measurements six months after program initiation.
3. REQUEST the City Attorney to prepare and present an ordinance for the permitting and regulation of PDDs.
4. DIRECT the LADOT and the Bureau of Street Services to report in 120 days on the status of the program and any additional staff required to enforce compliance with permit rules and guidelines, and include recommendations on adjusting fleet size, fees and fee structures, equity incentives and saturation protections; information on the cost of administration and enforcement, and if additional positions are needed, to be funded by fee revenue; and, information from LADOT and the City Attorney on minimum employment standards, including local hire requirements, wage standards, and employee status.
5. DIRECT the LADOT to allow currently operating companies to continue their existing operation in San Pedro and Venice without interruption during the transition into the new pilot program.

Fiscal Impact Statement: The LADOT reports that this action will not impact the General Fund. This is a permit program and revenues will cover program costs.

Community Impact Statement: None submitted.

SUMMARY

In a report to Council dated May 25, 2021, LADOT presents rules and guidelines for the operation of PDDs in the public right-of-way. The LADOT report addresses sidewalk accessibility and use, digital management tools, fees, advertising, enforcement capacity, consumer and public privacy, and other matters. PDDs offer local businesses additional options to meet their customer's needs during the COVID-19 pandemic. They are expected to remain an important business tool for local companies during the economic recovery period. LADOT goes on to state that few cities adopted regulations around PDDs. Most City regulations have enabled limited tests of the technology.

LADOT presents a basic framework for the operation of PDDs:

- All operations of autonomous or remotely controlled delivery vehicles or devices shall comply with all requirements, including insurance, data, and indemnification requirements, imposed as a condition of maintaining a permit to operate on the City's right-of-way.
- The Operators of PDDs must follow certain operational requirements including:
 - PDDs shall yield the right of way to pedestrians and bicycles.
 - PDDs shall obey all digital and physical signs and signals governing traffic and pedestrians.
 - PDDs shall not interfere with the maintenance of paths of travel for persons with disabilities.
 - PDDs may not transport waste or hazardous materials (including flammables or ammunition).
 - PDDs shall be equipped with headlights that operate at night, sunrise, and sunset.
 - PDDs shall bear, in markings of a size sufficient to be clearly legible to passing vehicles and pedestrians, a unique identifier for each individual device together with the name and contact information of the device's operator. PDDs shall also include a readily accessible, single, unique, and clearly displayed tactile sign containing raised characters and accompanying Braille, in compliance with standard ADA requirements, to identify the device and for the purpose of reporting illegal or negligent activity.

PDDs are expected to operate primarily on sidewalks and crosswalks and will be required to yield to pedestrians and bicycles, obey all signs and signals governing traffic and pedestrians, and not interfere with the maintenance of paths of travel for persons with disabilities. Providers are limited to a maximum of 100 devices citywide, with an opportunity to request additional devices from the City based on demand. LADOT recommends an annual fee of \$10,000 for companies that have up to 50 devices and \$20,000 for companies with more than 50 devices. These fees will ensure that the administrative and technological costs to monitor and enforce the program are covered,

including digital management tools and sidewalk infrastructure upgrades as needed. The LADOT report goes on to discuss advertising, enforcement, data tools and collection, consumer privacy, program equity and outreach, and other program details. A complete set of rules and guidelines is attached to the LADOT report.

At its meeting held June 1, 2021, the Transportation Committee discussed this matter with LADOT staff. The LADOT representative stated electric powered PDDs will reduce emissions. Their speed will be limited to five miles per hour, about the speed of a walking pedestrian. PDDs will return to their point of origin after completing their deliveries. Initially, they will be operated remotely. LADOT will issue permits to operate, and the Bureau of Street Services will enforce the proper use of sidewalks by the PDDs. Pilot PDD caps were set based on LADOT staff capacity and the needs of participating companies.

Councilmembers Bonin and Buscaino praised the pilot program's potential to serve consumers and help local restaurants recover from the impact of the pandemic. Committee members raised issues regarding the engagement of the Bureau of Street Services, ensuring program equity and community outreach to other areas of the City, and employment issues. Councilmember Buscaino stated PDDs can complete a delivery for approximately five dollars, an amount less than what is charged by app-based delivery services.

Councilmember Koretz objected to the program, stating the PDDs will endanger the safety of pedestrians. The Councilmember also expressed concern that PDDs will destroy delivery jobs. Based on the experience with scooters, the City will likely be unable to enforce proposed safety rules.

During the public comment period, members of the community, restaurant owners, and representatives of a PDD company expressed support for LADOT's proposed recommendations and the expansion of the pilot program.

The Transportation Committee recommended (Bonin, Buscaino: yes, Koretz: no) that Council approve LADOT's recommendations, as amended to reduce the report back deadline from 180 to 120 days, to include directions for additional report back information relative to employee and hiring standards, and to modify program rules and guidelines proposed by LADOT, as shown above.

<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES
KORETZ:	NO
BUSCAINO:	YES
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Respectfully Submitted,

TRANSPORTATION COMMITTEE

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-NOT OFFICIAL UNTIL COUNCIL ACTS