

TRANSPORTATION COMMITTEE REPORT relative to the current permitting and regulatory environment for Advanced Aerial Mobility (AAM).

Recommendations for Council action, as initiated by Motion (Koretz – Bonin):

1. INSTRUCT the Los Angeles Department of Transportation (LADOT), the Department of City Planning (DCP), and other relevant Departments, to report on the current permitting and regulatory environment for AAM, including commercial drone operations, and recommendations for a local regulatory framework and permitting in the City, as well as an appropriate fee structure.
2. INSTRUCT the LADOT and DCP to:
  - a. Report on staff resources and funding for technical studies needed to create this permitting/regulatory framework.
  - b. Consult with industry experts and stakeholders during the development of the draft rules and regulations to ensure for a collaborative process and a regulatory structure that reflects best practices.

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

Community Impact Statement: None submitted.

Summary:

On August 17, 2021, your Committee considered a Motion (Koretz – Bonin) relative to the current permitting and regulatory environment for Advanced Aerial Mobility (AAM). According to the LADOT, urban aviation is quickly becoming an option for both passengers and for the transportation of goods. Known broadly as Advanced Aerial Mobility (AAM), this emerging technology has the potential to become an integral component of a city's multimodal network and transform the way people, goods, and emergency services move around metropolitan areas. AAM transports people and goods for low-altitude, short-distance regional trips.

While it has the potential to create new mobility options that improve how people and goods travel, it could also lead to increases in noise pollution, air pollution, privacy and public safety concerns, and socioeconomic impacts if policymakers do not proactively establish a robust regulatory framework. Commercial drones are used for jobs ranging from inspecting power lines, buildings, and crops, to aerial photography and the transport of small items. According to Drone Industry Insights, a German research firm, the value of this market reached \$22.5 billion in 2020 and will increase in future years.

In August 2020, Amazon received federal approval through the Federal Aviation Administration (FAA) to operate its fleet of Prime Air delivery drones. While the Prime Air fleet is not ready to immediately deploy package deliveries at scale, it is actively flying and testing the technology. Also, in April 2021, Alphabet-owned Wing became the first drone delivery company to receive FAA approval for commercial deliveries in the U.S. The United States Postal Service also won approval from the FAA in October 2020 to operate a fleet of drones as an airline. New aviation operators are already seeking opportunities to develop infrastructure in Los Angeles, including converting parking garages and existing heliports to vertiports (or stations where people or cargo can be loaded onto AAM aircraft). The FAA, the Federal body which governs navigable airspace, has committed to signing off on commercial operations by late 2023 or early 2024. Since 2018, the LADOT has explored key areas for government engagement on the issues of urban aviation. As the use of AAM and commercial drones continues to grow, it is critical that the City examine opportunities to protect local control and set regulations that reflect the complex urban environment, and the transportation needs of local residents. After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Transportation Committee

**COUNCILMEMBER VOTE**

BONIN: YES  
KORETZ: YES  
BUSCAINO: YES

ARL  
8/17/21

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**