

John Wayne Airport
David Pfeiffer – Deputy Airport Director
18601 Airport Way
Santa Ana, CA. 92707

May 1, 2019

Dear Mr. Pfeiffer,

As the provider of taxicab service to John Wayne Airport for the past 18 years, the joint venture that is John Wayne Airport Yellow Cab is proud of our record of excellent service to the airport. We look forward to the continuation of both the partnership of companies, as well as, our partnership with the County and airport staff for years to come.

In the changing environment of the ground transportation industry, we find it increasingly difficult to predict the effect that Transportation Network Companies (Uber, Lyft, ect.) will have on our own business model. There are service categories that remain unchanged, while others have experienced unprecedented growth since the introduction of the TNC's. In contrast, our operations at JWA have seen a substantial reduction of trips and a corresponding reduction of vehicle leases since the TNC's began service from the airport. While it would seem that business forces (profit) will force a change in TNC pricing and government oversight will eventually result in a regulatory "level playing field" that will allow us to better compete in this category, we need to address the operation as it is today.

In recent discussions, the joint venture partners identified the Use Fee as a component of the current Operating Agreement that could possibly be modified. The current Use Fee is calculated based on a total square footage of approximately 42,000 square feet, of which, approximately 34,000 square feet is the holding lot at the corner of Campus and MacArthur. As noted above, we are operating fewer vehicles on airport property and have no need for this much space, and it is worth noting we did run our operation there on the smaller lot until the current Operating Agreement took effect. Our request is that we return approximately half of the 34,000 holding lot, thus reducing the square footage calculation that is the Use Fee.

The current Operating Agreement also requires that we operate a minimum number of taxicabs at John Wayne Airport. That number is currently set at (85), with a maximum wait-time of (10) minutes for any passenger. We would like to request that the minimum number of vehicles be reduced to (65), with no change made to maximum wait-time for taxi availability. The lower number of required vehicles will not affect service levels but will assist in transitioning to a smaller staging area.

Additionally, we would like to address the staffing levels currently required by the Operating Agreement. With the addition of the Terminal C loading curb, we are currently utilizing (2) shifts of (4) staff members each, with (1) additional mid-shift position to provide for mandated breaks and meals. In years past when we would regularly service 1,000-1,500 trips per day with a fleet size of 130+ taxicabs, this level of staffing was required to maintain an orderly flow of cabs to and from the terminal. The current trip counts and fleet size do not and we propose reducing our staffing levels from (9) shifts per day, to (7) on Monday thru Friday and (6) on Saturday and Sunday.

We appreciate the support that JWA staff has shown over the years and are dedicated to continuing this successful relationship in the future. Thank for your consideration of these modifications and we are available to discuss at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Lamb", with a large, stylized initial "C" and "L".

Chris Lamb – Yellow Cab of Greater Orange County

Tim Conlon – Cabco Yellow Inc.

A handwritten signature in blue ink, appearing to read "Tim Conlon", with a stylized initial "T" and "C".