

RESOLUTION NO. 26215

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Concession Agreement LAA-8862 with Boingo Wireless, Inc. to modify the permitted method of passenger connectivity to the Los Angeles International Airport free Wi-Fi service, to reduce the base annual fee by \$400,000 per year, and to credit said concessionaire \$65,000 for constructing additional wireless access points to support the implementation of Mobile Passport in the Tom Bradley International Terminal at Los Angeles International Airport; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

**Board of Airport
Commissioners**

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Deborah Flint
Chief Executive Officer

WHEREAS, by Resolution 25722, the Board of Airport Commissioners approved award of a Non-Exclusive Concession Agreement to Boingo to upgrade, manage and operate the Wi-Fi network at Los Angeles International Airport (LAX); and

WHEREAS, free and easily accessible Wi-Fi is a key component of providing guest experience to LAX passengers. Los Angeles World Airports (LAWA) continually receives negative guest feedback on the free Wi-Fi service offering, and this has been identified as a target area for improvement. The feedback indicates that one reason guests are unhappy with the Wi-Fi service is due to difficulty to connect to the free Wi-Fi. Based on that feedback, LAWA negotiated a solution with Boingo to improve the process to gain access to free Wi-Fi and has identified a solution to make access easier:

- a) Allow potential Wi-Fi users to get from the restricted access page (Walled Garden page) to connecting to free Wi-Fi in one click rather than the four to seven clicks currently required. The new process will involve the potential free Wi-Fi user accessing the network for LAWA free Wi-Fi and then viewing a Walled Garden page that will provide the user with three options: [1] Connect to 'LAX Free Unlimited Wi-Fi'; [2] Connect to 'Boingo Unlimited' (a paid service); and [3] Connect to 'Boingo As You Go' (a paid service). If the potential user clicks on the first option, that potential user will be shown an ad or sponsorship message up to 30 seconds in length and then will immediately get connected and directed to the LAWA website home page (landing page).
- b) Remove the choice that Boingo provides to potential free Wi-Fi users to download an app in order to be connected to free Wi-Fi; and

WHEREAS, in exchange for said changes, the base annual fee Boingo pays would be reduced from \$816,000 to \$416,000 during the remaining term of the agreement effective upon the date of implementation by Boingo of the requested access changes. Boingo requested this reduction to compensate for its loss of revenues that it estimates will be attributable to free Wi-Fi users no longer downloading apps. While Boingo still will be able to present potential free Wi-Fi users with an ad or sponsorship message to view and get revenue for such, the amount of revenue Boingo estimates it will receive from presenting an ad is much less than it would receive from having the customer download an app. The contract expiration date is June 30, 2022 (unless earlier terminated). The reduction in base revenues of \$400,000 per year for 5.5 years would be \$2.2 million; and



WHEREAS, passengers arriving at LAX from international destinations provide negative feedback regarding the amount of time that they have to spend waiting in the immigration line. Due to congestion, the lines are often quite long. LAWA is always looking for innovative ways to help reduce the queue time at immigration. One such innovation is the Customs and Border Protection's (CBP) Mobile Passport application, which allows guests to pre-register with CBP and then go through a special line at immigration and avoid the normal queues. This also helps reduce the queuing time for those who are not registered with CBP; and

WHEREAS, LAWA has agreed to pilot use of Mobile Passport at the Tom Bradley International Terminal (TBIT) immigration. In order to enable use of Mobile Passport, LAWA must provide Wi-Fi service because the Mobile Passport app requires guests to have access to the internet for it to work. To allow for Wi-Fi service in the immigration area, the Mobile Passport lines and scanners will be located in the federal inspection service area bus terminal hallways in TBIT. Therefore, twelve (12) additional access points must be installed in said area. With the First Amendment, LAWA will issue a credit of \$65,000 to Boingo for installation of said additional access points and extend Wi-Fi service to the area; and

WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Boingo is required by contract to comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Procurement Services Division has reviewed this action (File 6820). No Airport Concession Disadvantaged Business Enterprise goal was set for the project, as no subcontracting opportunities were identified; and

WHEREAS, Boingo is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Boingo has been assigned Business Tax Registration Certificate 0002274391-0001; and

WHEREAS, Boingo is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Boingo has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Boingo has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Boingo must be determined by the Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance prior to execution of the amendment; and

WHEREAS, Boingo will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, Boingo has submitted the Bidder Contributions City Ethics Commission Form 55, and will comply with its provisions; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners determined that this action is exempt from the California Environmental Quality Act pursuant to Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines; approved the First Amendment to Concession Agreement LAA-8862 to modify the permitted method of passenger connectivity to the Los Angeles International Airport free Wi-Fi service, to reduce the base annual fee by \$400,000 per year, and to credit said concessionaire \$65,000 to construct additional wireless access points to support the implementation of Mobile Passport in the Tom Bradley International Terminal at Los Angeles International Airport; and authorized the Chief Executive Officer to execute said First Amendment to Concession Agreement LAA-8862 upon approval by the Los Angeles City Council following approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 26215 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, April 20, 2017.



Grace Miguel – Assistant Secretary
BOARD OF AIRPORT COMMISSIONERS