

September 22, 2014

Dear members of the Public Safety Review Committee,

I write to express Lyft's opposition to Mayor Soglin's proposed ordinance. For the reasons below, many of the requirements in the Mayor's ordinance will prevent Lyft from operating in the Madison market.

## I. 24/7 Service Requirement

Lyft is the latest evolution of mobile app-based ridesharing -- a friendly, safe and affordable transportation option that matches people who need rides with people who have cars with available seats. Lyft users are not employees of Lyft. This means that Lyft users have the flexibility to drive the hours that they wish and are not scheduled for particular shifts. This is particularly important for individuals who are trying to supplement their regular income or need flexible economic opportunities due to their commitments as caregivers. Forcing a 24/7 model would mean that Lyft would no longer provide such an economic opportunity and would fundamentally change the relationship between Lyft and its users.

## II. Business Office Requirement

Lyft provides an electronic platform for its users and does not have a physical office space in any jurisdiction outside of California. If an individual loses an item, Lyft's Trust & Safety team immediately contacts the driver who picked up the individual and coordinates return of the goods. Requiring a physical office open every day in Madison does not provide any additional benefit and would add extra costs that in turn would reduce the amount of commission that drivers can earn by accepting riders on the platform.

# III. Pricing Framework

Lyft's dynamic pricing model is essential to attracting users to drive on the platform at non-peak times. By creating pricing incentives, Lyft has been able to create much higher supply during periods in which citizens previously have found difficulty accessing transportation. Users acknowledge that they are willing to accept any price increase prior to requesting a ride, ensuring that there is complete transparency in the pricing process.

## IV. Insurance Requirements

Imposing a \$1 million liability policy when a user has simply turned on an application but has not accepted a ride request does not draw any distinction

between commercial and non-commercial activity. Lyft drivers are equipped with a \$1 million auto liability, uninsured/underinsured motorist coverage as well as contingent collision coverage from the moment a driver accepts a ride request on the Lyft platform until a passenger is dropped off. During the preceding period, when a driver has the Lyft application on but has not accepted a ride request, he or she is not engaged in commercial activity and is frequently pursuing personal activities. The long-term vision of Lyft is that all citizens will have the Lyft app on during their daily commutes and choose to accept rides at their discretion. Given this framework, Lyft provides a backstop contingent policy of \$50,000/\$100,000 for bodily injury when the application is on but a driver has not accepted a ride request.

#### V. Background Checks

Lyft requests that the City allow it to perform background checks subject to agreed-upon restrictions on which crimes disqualify drivers using its platform. Lyft already conducts background checks that are as comprehensive as the checks required of existing transportation providers. Lyft requires each applicant, based on his or her social security number, to undergo a national and county level background check that includes the national sex offender database. Lyft's background checks are performed prior to onboarding of any driver. Adding an additional City background check will not ensure greater public safety but will create another regulatory hurdle for those seeking to access economic opportunity.

Regards,

Candice Taylor

Manager of Government Relations